



WISCONSIN LEGISLATIVE COUNCIL REPORT TO THE LEGISLATURE

Legislation Recommended by the Special Committee on Labor Shortage

- Senate Bill 249 and Assembly Bill 516, Relating to Special Labor-Related Reports, Training, Education, and Development Zone Tax Credits; Training and Education Programs; Providing an Exemption From Emergency Rule Procedures; Granting Rule-Making Authority; and Making an Appropriation
- Senate Joint Resolution 41 and Assembly Joint Resolution 57, Relating to Memorializing Congress to Study and Modify the Social Security Earnings Limit

September 24, 2001

RL 2001-08

**LEGISLATION RECOMMENDED BY THE
SPECIAL COMMITTEE ON LABOR SHORAGE**

Prepared by:
Robert Conlin, Senior Staff Attorney, and Nick Zavos, Staff Attorney
September 24, 2001

CONTENTS

<i>PART I - KEY PROVISIONS OF LEGISLATION.....</i>	<i>3</i>
<i>PART II - COMMITTEE ACTIVITY</i>	<i>7</i>
A. Assignment.....	7
B. Summary of Meetings	7
<i>PART III - RECOMMENDATIONS.....</i>	<i>11</i>
A. Senate Bill 249 and Assembly Bill 516.....	11
B. Senate Joint Resolution 41 and Assembly Joint Resolution 57	18
<i>APPENDIX 1 - COMMITTEE AND JOINT LEGISLATIVE COUNCIL VOTES.....</i>	<i>19</i>
<i>APPENDIX 2 - LIST OF JOINT LEGISLATIVE COUNCIL MEMBERS</i>	<i>21</i>
<i>APPENDIX 3 - LIST OF COMMITTEE MEMBERS.....</i>	<i>23</i>
<i>APPENDIX 4 - COMMITTEE MATERIALS LIST</i>	<i>25</i>
<i>APPENDIX 5 - DRAFT LETTERS.....</i>	<i>29</i>
<i>APPENDIX 6 -DISCUSSION GROUP RECOMMENDATIONS.....</i>	<i>43</i>
<i>APPENDIX 7 - MEMO NO. 1, LISTING OF ALL SPECIFIC RECOMMENDATIONS RECEIVED BY THE COMMITTEE</i>	<i>75</i>

PART I

KEY PROVISIONS OF LEGISLATION

The proposals recommended by the Special Committee on Labor Shortage do the following:

Senate Bill 249 and Assembly Bill 516 accomplishes all of the following:

- Requires the Department of Workforce Development (DWD) to produce an ***annual report on the labor supply***, including an analysis of critical labor shortage areas by occupation, region, gender and race.
- Requires each technical college district board to make available to all employers in the district a ***job retention skills development program*** to help employers retain new employees, build the job skill levels of their employees, and assist their employees to attain higher wages and long-term careers. The program must emphasize job retention skills development for employees with incomes at or below 200% of the federal poverty line who are current or former recipients of public assistance, employees in the first six months of employment with their employer and entry-level employees. The program will be implemented with \$200,000 of Federal Temporary Assistance for Needy Families (TANF) block grant funds.
- Creates a ***tuition tax credit*** for businesses that pay tuition for an individual to attend a university, college, or technical college.
- Requires DWD to produce a report identifying, by region, all of the job training programs available around the state.
- Creates a ***workforce diversity grant program*** for local, nonprofit organizations that offer diversity training, basic employment skills development or instruction in English as a second language to employees and to those seeking employment.
- Requires the Higher Educational Aids Board to study and report on the cost, effectiveness and desirability of creating a student loan forgiveness program for students who remain in the state.
- Authorizes a person who has had his or her license revoked solely for failing to pay a nondriving-related fine to obtain, and lowers the fee for, an occupational driver's license.
- Requires the Department of Revenue to study and ***report on current tax incentives*** related to workforce development, and to offer recommendations for changes in the state's tax laws designed to attract and retain a highly skilled and trained workforce.

- Requires public educational institutions in the state to develop a written policy as to whether the institution will allow its facilities to be used for employment-related training.
- Creates a ***productivity enhancement training business tax credit*** for expenses incurred by a business to provide certain training to the business's employees. The credit equals 100% of the business's certified training expenses, up to a maximum of \$7,500 per year. To be eligible, the business must submit to the Department of Commerce a productivity enhancement training plan designed to: (a) increase employee productivity; and (b) result in employees holding jobs in the business that require higher degrees of skill to perform and that pay higher wages than their current jobs.
- Modifies the Trade Master's Pilot Program, established in 2001 Wisconsin Act 16, the Biennial Budget, to require DWD to seek to maximize participation in the program of minority group members and to require DWD to evaluate the program by July 1, 2004. Also, increases the funding for the program by \$110,000 in fiscal year 2001-02 and by \$120,000 in fiscal year 2002-03.
- Provides for the transfer of remediation tax credits earned for remediation expenses incurred in a development zone.
- Modifies the ***Nursing Student Loan Program***, established in 2001 Wisconsin Act 16, the Biennial Budget, to require that the loans must be directed to those who are likely to remain in the state to work, and that preference must be given to minorities and those living in urban areas with high unemployment. The loan is to be entirely forgiven over the course of three years if the person is employed full-time as a nurse.
- Requires the Department of Corrections to study and report on current programs and to recommend establishment of new programs that prepare prisoners to enter the workforce.
- Creates an ***apprenticeship tax credit*** for employers that pay wages to an apprentice participating in a two-year to five-year apprenticeship program in which the apprentice is receiving instruction leading to qualification as a skilled journeyman in any industrial manufacturing trade, any private sector service occupation, or certain construction trades. No employer may claim the credit for taxable years beginning after December 31, 2004, if the number of employers training apprentices does not increase by more than 40% from January 1, 2002, to December 31, 2004.
- Directs DWD to contract with an organization of employees, an association of employers, or some other similar responsible agency in this state to provide ***preapprenticeship basic skills training grants*** of up to \$500 to persons whose family incomes do not exceed 165% of the federal poverty line and who have previously failed a test for placement in an apprenticeship program providing

instruction in an industrial manufacturing trade, a private sector service occupation, or certain construction trades, but who wish to participate in such a program.

- Requires DWD to conduct *apprenticeship marketing activities*, including the development and provision of promotional materials directed at encouraging employers to hire apprentices, educating high school career counselors on careers available in the skilled trades, encouraging the youth of this state to consider a career in the skilled trades, and otherwise promoting the availability and benefits of careers in the skilled trades.

Senate Joint Resolution 41 and Assembly Joint Resolution 57 asks Congress to study and modify the Social Security earnings limit for people between the ages of 62 and 64.

PART II

COMMITTEE ACTIVITY

A. ASSIGNMENT

The Joint Legislative Council established the Special Committee on Labor Shortage and appointed the Cochairs by a June 13 mail ballot. The Special Committee was directed to study the labor shortage in Wisconsin, including the “brain drain.” The committee was also directed to study ways to increase the number of apprenticeships in the building trades and ways to add diversity to the building trades.

The Joint Legislative Council appointed the members of the Committee by an October 12, 2000 mail ballot. The membership consisted of three Senators, three Representatives, and 25 public members. A list of the committee membership is set forth in **Appendix 3**.

B. SUMMARY OF MEETINGS

The committee held six meetings at the State Capitol, in Madison, on the following days:

November 20, 2000	February 12, 2001
December 11, 2000	March 12, 2001
January 22, 2001	April 23, 2001

At the November 20, 2000 meeting, the committee heard a number of presentations aimed at providing an overall picture of the labor shortage. Four invited speakers gave presentations to the committee: **Terry Ludeman**, a labor economist with DWD; **Gary Green**, a community development specialist with the University of Wisconsin (UW)-Extension; **Dennis K. Winters**, founder of Relevant Economic Analysis Limited; and **Laura Dresser**, a labor economist and research director at the Center on Wisconsin Strategy. The presenters discussed the causes of Wisconsin’s labor shortage, pointed out strengths and weaknesses in Wisconsin’s economy, and presented their ideas on how the state should respond to the labor shortage.

At the December 11, 2000 meeting, the committee heard presentations from the public and private sectors. There were two presentations from state agencies. **Jennifer Reinert**, Secretary, DWD, and **Brenda J. Blanchard**, Secretary, Department of Commerce, told the committee what their agencies are doing to help with the labor shortage, and what steps they thought the committee could take to address the labor shortage. **Dean Amhaus**, President, Forward Wisconsin, spoke to the committee about the activities of Forward Wisconsin and suggested ways in which the state could improve its economy. In addition, **John Metcalf**, from Wisconsin Manufacturers and Commerce, and **Bill Smith**, from the National Federation of Independent Businesses, spoke about the problems their member businesses are facing, the steps their organizations are taking to solve those problems, and the ways the committee could help.

John Pawasarat, Director of the Employment and Training Institute at UW-Milwaukee, spoke to the committee about solutions that might help central city residents enter the workforce. He specifically stressed the adverse effect of suspending driver's licenses for the failure to pay civil fines unrelated to driving.

At the January 22, 2001 meeting, the committee focused on the role of educational institutions in addressing the labor shortage. A panel of speakers from the UW System made presentations and fielded a number of questions from committee members. The speakers included **Katharine Lyall**, President, UW System; **Carl Gulbrandsen** from the Wisconsin Alumni Research Foundation; **Mark Bugher**, Director, UW Research Park; and **Kevin Reilly**, Chancellor, UW-Extension. This panel was followed by **Rolf Wegenke**, President, Wisconsin Association of Independent Colleges and Universities, who outlined a number of specific legislative suggestions to address the labor shortage problem.

Next, a panel of speakers representing the technical college system spoke about steps the technical colleges have been taking to address the labor shortage. The speakers included **Edward Chin**, State Director, Wisconsin Technical College System; **Lee Rasch**, President, Western Wisconsin Technical College (La Crosse); and **Paul Gabriel**, Executive Director, Wisconsin Technical Colleges District Boards Association.

Finally, the committee heard presentations from: **John Benson**, State Superintendent, Department of Public Instruction (DPI), and **Joseph Davis**, Executive Director, Educational Approval Board.

At the February 12, 2001 meeting, the committee focused on School-to-Work, Apprenticeships and Southeastern Wisconsin. **John Benson**, Superintendent, and **Brian Albrecht**, Lifework Education Team, DPI, appeared before the committee to answer questions about the DPI's School-to-Work program. **Karen Morgan**, Director of the Bureau of Apprenticeship Standards, DWD, briefed the committee on the state's apprenticeship program. **Dr. John Birkholz**, President, Madison Area Technical College (MATC)-Milwaukee, discussed MATC's role in addressing the workforce needs of the Milwaukee area and highlighted the Technical College System's budget priorities.

Kathryn Dunn, Economic Development Program Officer, described to the committee the Helen Bader Foundation's efforts in workforce development in Milwaukee. **Dr. Jack Keating**, Chancellor, UW-Parkside, and **Dr. Sam Borden**, President, Gateway Technical College, testified about their institutions' collaborative efforts to address the workforce needs of the Kenosha-Racine area. **William Clay** from Opportunities Industrialization Center of Greater Milwaukee, led a panel presentation of Milwaukee W-2 agencies in discussing their role in workforce development. Finally, **William Reid**, Metropolitan Milwaukee Association of Commerce, presented an overview of that organization's efforts on behalf of its members to address the workforce needs of metropolitan Milwaukee.

After the presentations, the committee members broke into informal discussion groups focused on the public sector, the private sector and education.

At the March 12, 2001 meeting, the committee focused on minorities in the construction trades, and on private business perspectives on the labor shortage. **Morris S. Reece** and **Alfonso Gardner** gave a presentation about an organization they started called the Economic Inclusion Coalition. They explained the role the organization plays in getting construction jobs for minorities. **Mr. James Strong** talked to the committee about his work with the Skilled Trades Collaborative to mentor and tutor minorities going into apprenticeships. **Mr. John Bowles**, President, Central City Construction, made a presentation to the committee identifying barriers to minorities entering the construction trades and suggesting ways to overcome those barriers.

From the private sector, there was a presentation by **Wendy Seronko**, Executive Director, Employers Workforce Development Network, and a joint presentation from **Shon Doyle**, President, Wisconsin Workforce Development Association, and **Cheryl Welch**, Director, Fox Valley Workforce Development Board. In addition, a panel of business representatives talked to the committee about steps their businesses had taken to deal with the labor shortage. The panel included **Dan Mouw** from Colorarts in Racine, **Pat Solheid** from The Turkey Store in Barron, and **Judy Peirick** from Webcrafters in Madison.

After the presentations, the committee returned to their small discussion groups. Each group created a list of possible committee actions which was then sent to all the committee members. A copy of the suggestions from each discussion group is attached as **Appendix 6**.

At the April 23, 2001 meeting, the committee reviewed draft legislation and drafts of letters to various state officials based on the discussion group suggestions. The following legislative drafts were approved by the committee without objection for inclusion in the committee's final recommendations:

- WLC: 0123/1, as amended, relating to job retention programs; and making an appropriation.
- WLC: 0124/1, relating to an annual report on the labor shortage.
- WLC: 0125/1, relating to an education tax credit for businesses.
- WLC: 0126/1, relating to the employment skills advancement program.
- WLC: 0127/1, as amended, relating to job skill course reporting.
- WLC: 0129/1, as amended, relating to a workforce diversity grant program.
- WLC: 0130/1, as amended, relating to a student loan forgiveness study.
- WLC: 0131/1, as amended, relating to the fee for an occupational license.
- WLC: 0132/1, as amended, relating to a comprehensive tax study.
- WLC: 0135/1, relating to memorializing Congress to study and modify the Social Security earnings limit.
- WLC: 0136/1, as amended, relating to providing technical college classrooms for employment-related training.
- WLC: 0137/1, relating to a productivity enhancement training expense tax credit.

- WLC: 0139/1, as amended, relating to an advanced journeyworker credential pilot program.
- WLC: 0140/1, relating to the transfer of development zone tax credits for remediation.
- WLC: 0145/1, relating to a nursing degree loan program.
- WLC: 0149/1, relating to a Department of Corrections study.
- LRB-2911/1, relating to an apprenticeship tax credit.

Subsequently, these drafts were combined into two drafts for recommendation to the Joint Legislative Council, WLC: 0135/1 and WLC: 0150/1.

In addition, the committee unanimously approved sending letters to the following officials:

- Mr. Jon E. Litscher, Secretary, DOC.
- Ms. Melanie Platt-Gibson, Interim President, Forward Wisconsin, Inc.
- Senator Robert Wirch and Representative Daniel Vrakas, Co-Chairs, Joint Survey Committee on Retirement Systems.
- Katharine Lyall, President, UW System, and John Benson, Superintendent, DPI, as chairs of the PK-16 Council.
- Secretary Jennifer Reinert, DWD.
- Senator Brian Burke and Representative John Gard, Co-Chairs, Joint Committee on Finance.
- Representative Daniel Vrakas and Senator Richard Grobschmidt, Co-sponsors of the Apprenticeship Tax Credit proposal.

Copies of these letters are contained in **Appendix 5**.

PART III

RECOMMENDATIONS

A. SENATE BILL 249 AND ASSEMBLY BILL 516

1. Background

The committee heard testimony indicating that Wisconsin is facing a labor shortage that is projected to become severe. Wisconsin's birth rate since the baby boom has fallen more precipitously than the rest of the country. So as the baby boom era workers move into retirement, there are fewer young workers to replace them. Since the bulk of the baby boom era workers have yet to reach retirement age, the situation is projected to grow worse in the near future. Exacerbating the problem, the state is experiencing a "brain drain." While Wisconsin sends a high percentage of its high school graduates to college, the percentage of state residents with a college degree is relatively low. It appears that we are sending our young people off to college, and they are leaving the state after graduation.

Even otherwise encouraging statistics portend difficulty ahead. In recent years, Wisconsin has enjoyed some of the nation's lowest unemployment rates, and the state has had similarly high labor participation rates. Groups such as women and young people who are traditionally underrepresented in the workforce are participating in the workforce in large numbers. The problem is that these otherwise optimistic signs indicate there is not a large pool of unutilized workers to tap into.

The committee heard a number of presentations from private companies that could not fill all of their job openings. This problem is especially acute for high-skill jobs, and is beginning to become a problem for even lower-skill jobs. Even employers that have programs to train otherwise unqualified workers were having difficulty filling job openings. Despite this high demand for workers, Wisconsin's wages, on average, are below not just the national average, but also most of Wisconsin's neighbors in the upper Midwest. Further, many of the central city areas have a surplus of workers and high unemployment.

After six months of meetings, the committee came to realize that the labor shortage problem is too large and complex for a single solution. The committee felt, however, that it must put forth a number of the legislative suggestions to put the state on the right path.

The committee wanted to come up with suggestions that would keep potential workers in the state; that would prepare the state's workforce for higher skill, higher wage jobs; that would move unutilized or underutilized workers into the workforce; and that would assist employers in finding and training workers. To this end, the committee developed a package of legislative suggestions that includes, among others, tax incentives, loan and grant programs, and informational reports. The package aims to get employers, employees and the state involved in the effort to solve this important problem.

2. Description of the Bills

The bills make numerous changes to current law and establish new programs and requirements to address the labor shortage. The provisions of the bills are described in more detail below.

Special Labor-Related Reports

a. Labor Day Report

The bills require the DWD to prepare an annual report on the labor supply in Wisconsin. The report must identify critical labor shortage areas by occupation, region, gender and race. The report must also identify potential solutions for the labor shortage. Copies of the report must be submitted to the appropriate standing committees of the Legislature and to local workforce development boards throughout the state.

b. DOC Report

The bills require the DOC to report on the availability and effectiveness of programs that provide drug and alcohol abuse treatment, instruction in basic skills such as reading and math, and job skills training. The report must include an analysis of the enrollment in and access to these programs by race compared with the racial composition of the prison population as a whole. The report must also include suggestions for programs that would help prisoners and ex-offenders to enter the workforce.

c. Comprehensive Tax Study

The bills require the DOR, in cooperation with the DWD, to study and report on current workforce development-related tax incentives and to make recommendations on the state's tax laws to help ensure that the state is able to attract, develop and retain a highly skilled, highly trained workforce. In developing the report, groups representing employers, employees, taxpayers and other appropriate groups must be consulted. The report must also consider similar tax incentives in other states.

d. Student Loan Forgiveness Study

The bills require the Higher Educational Aids Board, by January 1, 2002, to study and report on the cost, desirability, and effectiveness of creating a student loan forgiveness program to attract workers to the state.

e. Job Skills Training Program Report

The bills require the DWD to collect information concerning the availability of basic job skills training programs in the state and periodically prepare reports identifying those programs for distribution to regional workforce development organizations, job centers and other appropriate organizations. To the extent practicable, the report must identify available training programs by region.

Tax Incentives

f. Productivity Enhancement Training Expense Tax Credit

The bills provide a nonrefundable business tax credit for expenses incurred by a business to provide certain training to the business's employees. The credit equals 100% of the business's certified training expenses, up to a maximum of \$7,500 per year. Eligible training expenses include up to \$2,000 incurred for pre-training assessment and consultation services. The credit may not be claimed for amounts deducted by the business under the Internal Revenue Code as ordinary and necessary business expenses. Unused credits may be carried forward for up to 15 years. Under the draft, sole proprietorships, corporations and insurers may claim the credit. Partnerships, limited liability companies and tax option corporations compute the credit but pass it on to the partners, members and shareholders in proportion to their ownership interests.

The purpose of the credit is to encourage businesses to provide training to their employees to improve productivity and to promote, and provide workers for high-skill and high-wage jobs.

To qualify for the credit, the Department of Commerce must certify the business's productivity enhancement training expenses. To be eligible to have its expenses certified, the business must submit to the Department of Commerce a productivity enhancement training plan designed to: (1) increase employee productivity; and (2) result in employees holding jobs in the business that require higher degrees of skill to perform and that pay higher wages than their current jobs. In addition, the business must receive pre-training needs assessment and consultation from an experienced provider of productivity assessments, as approved by the Department of Commerce. Finally, the business must submit an accounting of its productivity enhancement training expenses so that the Department of Commerce may determine if the expenses were incurred under the training plan.

Each business that has its expenses certified and that claims the tax credit must report to the Department of Commerce, by March 1 of the year the business receives the certification, on the results of its productivity enhancement training and on its success in meeting the goals established in its productivity enhancement training plan. The department is required to report to the Legislature by December 1 annually on the effectiveness of the program.

The tax credit is available for taxable years beginning on or after January 1, 2001. No business may be certified for tax credits for any taxable year beginning after December 31, 2009.

g. Apprenticeship Tax Credit

The bills create an income tax and franchise tax credit for an employer that pays wages to an apprentice who is participating in a two- to five-year apprenticeship program in which the apprentice is receiving instruction leading to qualification as a skilled journeyman in any industrial manufacturing trade, any private sector service occupation, or certain construction trades. The amount of the credit is 5% of the wages that are paid to an

apprentice in a taxable year, but cannot exceed \$1,400, except that, in the taxable year in which the apprentice completes the apprenticeship program, the amount of the credit is 8% of the wages that are paid to an apprentice, but cannot exceed \$3,000. An employer will not receive the credit unless the employer enters into an agreement with the DWD permitting DWD to post on DWD's Internet site the employer's name and address and the number of apprentices and journeymen that the employer employs during the year. Generally, no employer may claim the credit for taxable years beginning after December 31, 2004, if the number of employers training apprentices does not increase by more than 40% from January 1, 2002, to December 31, 2004.

h. Education Tax Credit

The bills create an income tax and franchise tax credit for businesses that pay tuition for an individual to attend a university, college, or technical college. Sole proprietorships, corporations, and insurers may claim the credit. Partnerships, limited liability companies, and tax-option corporations compute the credit but pass it on to the partners, members, and shareholders in proportion to their ownership interests. The credit is an amount equal to: (1) 50% of the tuition paid by a business for an individual to attend school in a taxable year, if the individual is enrolled in a degree-granting program; and (2) 75% of the tuition paid by a business for an individual to attend school in a taxable year, if the individual is enrolled in a degree-granting program and if the individual's taxable income is not more than 185% of the federal poverty line. If the credit claimed by a business exceeds the business's tax liability, the state will not issue a refund check, but the business may carry forward any remaining credit to subsequent taxable years.

i. Transfer of Development Zone Tax Credits for Remediation

Under current law, a person may claim an income tax credit for up to 50% of the person's environmental remediation expenses incurred in a development zone. Under current law, the credit may not be transferred between persons, and a municipality or nonprofit organization that engages in remedial remediation activities in a development zone may not claim a credit.

The bills provide that any person eligible to claim a credit for remediation expenses incurred in a development zone may transfer the right to claim the credit to any other person subject to taxation in this state. In addition, the bills provide that a person may claim a credit for 50% of the amount expended by a municipality or a tax-exempt or nonprofit organization for environmental remediation in a development zone, if the municipality or organization has entered into an exclusive written agreement with the person claiming the credit. The bills require the DOR to promulgate rules implementing the credit transfer provisions.

Training and Education

j. Access Policy for Employment-Related Training at Educational Institutions

The bills require every public educational institution in the state to have a policy on providing access to their facilities to local organizations and businesses for the purpose of employment-related training. If it allows for such access, the policy shall set a reasonable

cost. The policy may allow access based on the availability of space and the appropriateness of the training and only insofar as access would be consistent with the institution's mission.

k. Trade Master's Pilot Program

Under current law, \$50,000 is provided in fiscal year 2001-02 for DWD to provide a trade master's pilot program to recognize advanced training and postapprenticeship achievements in three trades, crafts, or businesses, one of which must be in the industrial sector, one in the construction sector, and one in the service sector of the economy.

The bills require DWD, in selecting the trades, crafts, or businesses to be included in the pilot program, to seek to maximize participation in the pilot program of minority group members. The bills also require DWD to submit to the Legislature by July 1, 2004, an evaluation of the effectiveness of the program. In addition, the bills appropriate \$110,000 in fiscal year 2001-02 and \$120,000 in fiscal year 2002-03 to increase the full-time equivalent (FTE) positions authorized for DWD by one position for the implementation and development of the program. (See **Appendix 1** for a history of this provision.)

l. Workplace Diversity Grant Program

The bills create a workplace diversity grant program administered by the DWD. Under the program, local, nonprofit organizations that offer diversity training, basic employment skills development or instruction in English as a second language to employees and to those seeking employment may qualify for grants.

A local, nonprofit organization is qualified for a grant if any of the following apply:

1. The governing body of the local, nonprofit organization is comprised of representatives of private sector employers and local government units or agencies, and the local, nonprofit organization assists local employers in meeting their workforce needs.
2. The local, nonprofit organization assists persons who have been convicted of a crime, whether employed or not, in strengthening or developing their employment skills and in making or easing their transition from incarceration to work.
3. The local, nonprofit organization assists any of the following persons, whether employed or not, in preparing for or gaining entry into the skilled trades: (a) persons eligible for the Wisconsin Works program (commonly referred to as "W-2"); (b) military veterans; (c) persons who have been convicted of a crime; (d) persons eligible for food stamps; and (e) minority group members.

DWD must attempt to award grants to eligible organizations from different geographic regions of the state. The bills appropriate \$120,000 for the grants and limit any grant to any given organization to \$30,000.

Applications for the grants must be received by December 1, 2001 and grants must be awarded by January 1, 2002.

The bills require the DWD, by September 1, 2002, to report on the grant program, including the uses made of the grants. The report must recommend whether the program should be funded in the next biennium and, if it recommends continued funding, must recommend an appropriate funding level and any changes that should be made to the program.

m. Job Retention Skills Development Program

The bills require each technical college district board to make available, and offer at a frequency based upon demand in the district, a job retention skills development program to assist employers to retain new employees, build the job skill levels of those employees and assist those employees to attain higher wages and long-term careers. To the extent practicable, the program must be provided at employment sites.

The program must emphasize job retention skills development for employees with incomes at or below 200% of the federal poverty line who are current or former recipients of public assistance, employees in the first six months of employment with their employer and entry-level employees.

In supervising and establishing minimum requirements for the program, the state technical college system (board) must consult with employers, technical college district boards, W-2 agencies, local units of government and labor organizations. The program must include elements relating to the skills needed to show up for work on time, to work effectively in a team, to communicate with supervisors and coworkers and to solve basic job-related personal and interpersonal problems.

The bills require the board, in consultation with employers, district boards and DWD, to develop standards to assess the job retention and skills competencies of participants before and after participation in the program. The program sunsets on December 31, 2004.

Further, the bills require technical college district boards to assist employers in providing ongoing job retention skills development and reinforcement activities in the work place. The bills also allow district boards to charge employers a fee for the program and services offered to employers. Under the bills, \$200,000 of Federal TANF block grant funds is used to implement the program.

Finally, the bills require W-2 agencies to coordinate case management services that are provided to W-2 participants in unsubsidized employment with the job retention skills development program.

n. Nursing Student Loan Forgiveness Program

Under current law, \$450,000 is appropriated in fiscal year 2002-03 for the Higher Educational Aids Board (HEAB) to make loans to defray the cost of tuition, fees, and expenses for persons enrolled in a program in this state that confers an Associate Degree, a Bachelor's Degree, or a diploma, in nursing or that confers a second degree that will make the person eligible to take the nursing licensure examination. The maximum amount of loans that a person may receive during a fiscal year is \$3,000, and the maximum total amount of loans that a person may receive is \$15,000. After the loan recipient has completed the program,

HEAB must forgive 25% of the loan's principal and interest after the first full year, and 25% of the loan's principal and interest after the second full year, that the loan recipient has been employed full time in this state as a nurse.

The bills require HEAB, to the extent possible, to make those loans to persons who are likely to work in the nursing profession in this state upon completion of the program and who demonstrate a financial need for the loan. The bills also require HEAB, in making the loans, to give priority to persons who are minority group members and who reside in urban areas of this state that have unemployment rates higher than the state average. In addition, the bills require HEAB to forgive 50% of the loan's principal and interest after the third full year that the loan recipient has been employed full time in this state as a nurse. (See **Appendix 1** for a history of this provision.)

o. Preapprenticeship Basic Skills Training Grants

The bills also direct DWD to contract with an organization of employees, an association of employers, or some other similar responsible agency in this state (organization) to provide preapprenticeship basic skills training grants of up to \$500 to persons whose family income does not exceed 165% of the federal poverty line and who have previously failed a test for placement in an apprenticeship program providing instruction in an industrial manufacturing trade, a private sector service occupation, or certain construction trades, but who wish to participate in such a program. A person who receives a preapprenticeship basic skills training grant may use the grant moneys received to pay for the costs of tuition, fees, books, supplies, and materials, and for any other direct training costs, required to attend a preapprenticeship basic skills training program provided by an organization, a technical college, or a proprietary school approved by the educational approval board.

p. Occupational License Fee

Prior to passage of 1999 Wisconsin Act 9, the Biennial Budget Act, a person could have his or her driver's operating privileges suspended for failing to pay a judgment for an ordinance violation unrelated to the person's operation of a motor vehicle. Although Act 9 repealed this authority, it did not restore operating privileges to those who had their licenses suspended prior to Act 9. Generally, under current law, a person who has had his or her operating privileges suspended for failing to pay a judgment for an ordinance violation is not eligible to apply for an occupational driver's license.

These bills allow a person whose operating privilege was suspended solely for failing to pay a judgment for an ordinance violation unrelated to the operation of a motor vehicle to apply for an occupational driver's license upon payment of a \$10 fee. This fee represents a reduction from the \$40 application fee generally charged for an occupational license.

q. Apprenticeship Marketing Activities

Finally, the bills require DWD to conduct apprenticeship marketing activities, including the development and provision of promotional materials directed at encouraging employers to hire apprentices, educating high school career counselors on careers available in the skilled trades, encouraging the youth of this state to consider a career in the skilled trades,

and otherwise promoting the availability and benefits of careers in the skilled trades. The bills require DWD to solicit contributions from private sources to assist in the provision of those promotional materials and to seek the advice of and consult with the Apprenticeship Marketing Council created by the bills regarding the administration of those apprenticeship marketing activities.

B. SENATE JOINT RESOLUTION 41 AND ASSEMBLY JOINT RESOLUTION 57

1. Background

The committee heard testimony indicating that the severity of the labor shortage will be heightened because of the impending retirement of large numbers of the baby-boom era workers. As those workers retire, the state will have difficulty replacing them because of a lack of sufficient numbers of younger workers and because of the loss of the body of wisdom and expertise that these workers represent. The cap on earnings under the Social Security system was frequently cited as a barrier to these workers staying in the workforce longer.

2. Description of the Joint Resolutions

The joint resolutions call upon Congress to study and modify the Social Security earnings limit for recipients between the ages of 62 and 64.

RJC:NZ:rv;jal;ksm;wu

APPENDIX 1

Committee and Joint Legislative Council Votes

At its April 23, 2001 meeting, the committee voted to recommend to the Joint Legislative Council for introduction in the 2001-02 Session of the Legislature the following drafts: WLC: 0123/1, as amended, relating to job retention programs, and making an appropriation; WLC: 0124/1, relating to an annual report on the labor shortage; WLC: 0125/1, relating to an education tax credit for businesses; WLC: 0126/1, relating to the employment skills advancement program; WLC: 0127/1, as amended, relating to job skill course reporting; WLC: 0129/1, as amended, relating to a workforce diversity grant program; WLC: 0130/1, as amended, relating to a student loan forgiveness study; WLC: 0131/1, as amended, relating to the fee for an occupational license; WLC: 0132/1, as amended, relating to a comprehensive tax study; WLC: 0135/1, relating to memorializing Congress to study and modify the Social Security earnings limit; WLC: 0136/1, as amended, relating to providing technical college classrooms for employment-related training; WLC: 0137/1, relating to a productivity enhancement training expense tax credit; WLC: 0139/1, as amended, relating to an advanced journeyworker credential pilot program; WLC: 0140/1, relating to the transfer of development zone tax credits for remediation; WLC: 0145/1, relating to a nursing degree loan program; WLC: 0149/1, relating to a Department of Corrections study; and LRB-2911/1, relating to an apprenticeship tax credit.

The vote was as follows: Ayes, 21 (Sens. George, Grobschmidt and Roessler; Reps. Hundertmark and Morris-Tatum; and Public Members Balistreri, Cavanaugh, Gartner, Gutknecht, Hein, Hoffman, C. Johnson, Linzmeyer, Macejkovic, Meyer, Parker, Potos, Roeh, Viscione, Walker and Wallace; Noes, 0; and Absent, 10 (Rep. Vrakas; and Public Members Amato, L. Johnson, Kindschi, Kroncke, Lopez, Marks, Waedt, Wiley and Wilson).

These drafts were subsequently redrafted as WLC: 0150/1 and WLC: 0135/1.

At its May 15, 2001 meeting, the Joint Legislative Council voted to introduce WLC: 0150/1 and WLC: 0135/1 into both houses of the Legislature on a roll call vote of Ayes, 18 (Reps. Rhoades, Black, Bock, Foti, Freese, Huber, Jensen, Lehman and Meyerhofer; and Sens. Risser, Baumgart, Burke, Chvala, Darling, George, Grobschmidt, Robson and Zien); Noes, 0; and Absent, 4 (Reps. Gard and Stone; and Sens. Panzer and Rosenzweig).

WLC: 0150/1 was subsequently introduced as 2001 Senate Bill 249 and Assembly Bill 516. Prior to introduction, however, the Biennial Budget, 2001 Wisconsin Act 16, was passed by the Legislature and signed by the Governor. Act 16 contained three provisions that necessitated modifying slightly WLC: 0150/1 prior to introduction. The modifications are described below.

First, as recommended for introduction by the Joint Legislative Council, WLC: 0150/1 modified the Employment Skills Advancement Program (ESAP) under the Wisconsin Works (W-2) Program. Act 16 repealed the entirety of the ESAP. Accordingly, the modifications to the ESAP have been deleted from Senate Bill 249 and Assembly Bill 516.

Second, as recommended for introduction by the Joint Legislative Council, WLC: 0150/1 established a Nursing Student Loan Forgiveness Program. Act 16 contained a similar program. However, the two programs were not identical. WLC: 0150/1 required that the loans for nurses be directed towards persons who are likely to work in the nursing profession in Wisconsin upon completion of their course of study and who demonstrate a financial need for the loan. Additionally, WLC: 0150/1 directed that priority for the loans be given to members of minority groups who reside in urban areas of the state with unemployment rates higher than the state average. Finally, WLC: 0150/1 provided that the remainder of a recipient's loan for the third fiscal year that the recipient is licensed and employed full-time in Wisconsin as a nurse be forgiven. Act 16 did not include these components. Accordingly, these components are included in Senate Bill 249 and Assembly Bill 516 as amendments to the program created in Act 16.

Finally, as recommended for introduction by the Joint Legislative Council, WLC: 0150/1 authorized DWD to establish a journeyworker credential pilot program in up to three trades, crafts or businesses. Act 16 contained a similar program. However, the two programs were not identical. WLC: 0150/1 appropriated \$160,000 in fiscal year 2001-02 and \$120,000 for fiscal year 2002-03 and increased the positions for DWD by 1.0 FTE to implement and administer the program. Act 16 provided only \$50,000 in tribal gaming receipts and did not increase DWD's position authority. Also, WLC: 0150/1 required DWD, in selecting the trades, crafts or businesses to be included in the program to seek to maximize participation in the program by minorities and to report on the effectiveness of the program by July 1, 2004. Act 16 did not contain these program requirements. Accordingly, Senate Bill 249 and Assembly Bill 516 amend the program created by Act 16 to fund it, using tribal gaming revenue, at the level approved by the Joint Legislative Council and to provide the additional position authority approved by the Joint Legislative Council. Also, Senate Bill 249 and Assembly Bill 516 amend the program created by Act 16 to include the provisions of WLC: 0150/1 which target the program to maximize participation of minorities and to require a report on the program's effectiveness by July 1, 2004.

WLC: 0135/1 was subsequently introduced as 2001 Senate Joint Resolution 41 and Assembly Joint Resolution 57.

APPENDIX 2

JOINT LEGISLATIVE COUNCIL s. 13.81, Stats.

Cochair
FRED A. RISSE
Senate President
5008 Risser Road
Madison, WI 53705-1365

JAMES BAUMGART
1419 North 16th Street
Sheboygan, WI 53081-3257

BRIAN BURKE
Cochair, Joint Comt. on Finance
2029 North 51st Street
Milwaukee, WI 53208-1747

CHARLES J. CHVALA
Senate Majority Leader
1 Coach House Drive
Madison, WI 53714-2718

ALBERTA DARLING
*Ranking Minority Member, Joint
Comt. on Finance*
1325 West Dean Road
River Hills, WI 53217-2537

SPENCER BLACK
5742 Elder Place
Madison, WI 53705-2516

PETER BOCK
4710 West Bluemound Road
Milwaukee, WI 53208-3648

STEVEN M. FOTI
Assembly Majority Leader
1117 Dickens Drive
Oconomowoc, WI 53066-4316

STEPHEN J. FREESE
Speaker Pro Tempore
310 East North Street
Dodgeville, WI 53533-1200

SENATORS
GARY R. GEORGE
President Pro Tempore
1100 West Wells St., #1711
Milwaukee, WI 53233-2326

RICHARD GROBSCHMIDT
912 Lake Drive
South Milwaukee, WI 53172-1736

MARY PANZER
Senate Minority Leader
635 Tamarack Drive West
West Bend, WI 53095-3653

REPRESENTATIVES
JOHN GARD
Cochair, Joint Comt. on Finance
481 Aubin St., PO Box 119
Peshtigo, WI 54157-0119

GREGORY HUBER
*Ranking Minority Member, Joint
Comt. on Finance*
406 South 9th Avenue
Wausau, WI 54401-4541

SCOTT R. JENSEN
Assembly Speaker
850 South Springdale Road
Waukesha, WI 53186-1402

Cochair
KITTY RHOADES
Representative
708 4th Street
Hudson, WI 54016-1643

JUDITH ROBSON
2411 East Ridge Road
Beloit, WI 53511-3922

PEGGY ROSENZWEIG
6236 Upper Parkway North
Wauwatosa, WI 53213-2430

DAVID ZIEN
1716 63rd Street
Eau Claire, WI 54703-6857

SHIRLEY KRUG
Assembly Minority Leader
6105 West Hope Avenue
Milwaukee, WI 53216-1226

MICHAEL LEHMAN
1317 Honeysuckle Road
Hartford, WI 53027-2614

JEFF STONE
7424 West Forest Home Ave.
Greenfield, WI 53220-3358

This 22-member committee consists of the majority and minority party leadership of both houses of the Legislature, the cochairs and ranking minority members of the Joint Committee on Finance, and 5 Senators and 5 Representatives appointed as are members of standing committees.

APPENDIX 3

LABOR SHORTAGE, SPECIAL COMMITTEE ON

Cochair

GARY R. GEORGE
Senator
1100 West Wells Street #1711
Milwaukee, WI 53233-2341

RICHARD GROBSCHMIDT
912 Lake Drive
South Milwaukee, WI 53172-1736

JOHNNIE MORRIS-TATUM
3711 West Douglas Avenue
Milwaukee, WI 53209-3620

A.J. (NINO) AMATO
Chief Marketing Officer & Vice
President of Business & Regional
Dev., Meriter Health Services, Inc.
7645 Farmington Way
Madison, WI 53717-1812

LYLE A. BALISTRERI
President, Milwaukee Building
Trades Council
5941 West Blue Mound Road
Milwaukee, WI 53213-4227

JIM CAVANAUGH
District Board Mbr., MATC-Madison
Pres., South Central Fed. Of Labor
1602 South Park Street, #228
Madison, WI 53715-2181

RICHARD A. GARTNER
Adm., Div. Of Workforce Excellence
& Special Asst. to the Gov. for
Building Tomorrow's Workforce
201 E. Washington Ave., 201X
P.O. Box 7972
Madison, WI 53703-7972

CYNTHIA J. GUTKNECHT
Staff Nurse, WI Veterans Home
P.O. Box 85
Ogdensburg, WI 54962-0085

SENATORS

REPRESENTATIVES

PUBLIC MEMBERS

ELLIE HEIN
Director of Training Services, Assoc.
Builders & Contractors of WI, Inc.
2601 Crossroads Dr., Ste. 140
Madison, WI 53718-7981

MICHAEL HOFFMAN
V.P., Human Resources, Lutheran
Social Services of WI & Upper
Michigan
647 W. Virginia St., Suite 300
Milwaukee, WI 53204-1535

CAROLE JOHNSON
The Johnson Foundation
P.O. Box 547
Racine, WI 53470-0547

LAURENCE JOHNSON
President, Fox Valley Technical College
1825 N. Bluemound Dr.
P.O. Box 2277
Appleton, WI 54912-2277

MARK KINDSCHI
PHR, Four Winds Manor
303 S. Jefferson
Verona, WI 53593-1493

Cochair

JEAN HUNDERTMARK
Representative
E8815 River Road
Clintonville, WI 54929-9026

CAROL A. ROESSLER
1506 Jackson Street
Oshkosh, WI 54901-2942

DAN VRAKAS
N45 W28912 East Capitol Drive
Hartland, WI 53029

CHARLES O. KRONCKE
Dean, School of Business Adm.
UW-Milwaukee
P.O. Box 742
Milwaukee, WI 53201-0742

PAUL LINZMEYER
President, Bay Towel
2580 S. Broadway, P.O. Box 12115
Green Bay, WI 54307-2115

DAVID LOPEZ
Business Representative, Carpenters
District Council
P.O. Box 790
Pewaukee, WI 53072-0790

JIM MACEJKOVIC
Exec. V.P., Building Services, Inc.
11925 W. Carmen Avenue
Milwaukee, WI 53225-2222

SUE MARKS
Chair, Milwaukee Workforce
Development Board
3415 Gateway Rd., Ste. 100
Brookfield, WI 53045-5149

GREGORY MEYER
V.P., Stroh Die Casting Co., Inc.
11123 W. Burleigh Street
Milwaukee, WI 53222-3223

JERRY VISCIONE
Exec. V.P., Marquette University
1180 Terrace Drive
Elm Grove, WI 53122-2038

HENRY WALLACE
Retired Dean, Northeast WI
Technical College
1815 Beethoven
Green Bay, WI 54311-7393

ERIC PARKER
Executive Director
WI Regional Training Partnership
303 East Vienna Avenue
Milwaukee, WI 53212-1600

FRED A. WAEDT
Regional Liaison for Workforce Dev.,
UW-Eau Claire
105 Garfield Ave., P.O. Box 4004
Eau Claire, WI 54702-4004

JOHN D. WILEY
Chancellor, Academic Affairs
UW-Madison
Bascom Hall, Room 150
Madison, WI 53706

KATHRYN KOENEN POTOS
V.P., Adm. Services, Blue Cross &
Blue Shield United of Wisconsin
401 W. Michigan St., P.O. Box 2925
Milwaukee, WI 53201-2025

DOROTHY WALKER
Asst. Dean, Technical & Industrial
Div., Milwaukee Area Technical
College
700 West State Street
Milwaukee, WI 53233-1433

JOHN D. WILSON
Vice President of Public and
Regulatory Affairs
Xcel Energy
10 E. Doty St., Suite 511
Madison, WI 53703-3397

LOLA ROEH
General Manager
Osthoff Resort
101 Osthoff Avenue
Elkhart Lake, WI 53020-0151

STUDY ASSIGNMENT: The Committee shall: (1) study the labor shortage in Wisconsin, including strategies to eliminate shortages in critical industries and occupations; (2) review the so-called “brain drain” problem and identify ways that Wisconsin can retain college and university graduates as well as recruit workers from other states; and (3) examine the skilled building trades for barriers to minorities entering those trades, the methods by which schools train students for those trades and ways to expand trades-related apprenticeship training opportunities. The Special Committee shall report its recommendations to the Joint Legislative Council by January 1, 2001.

Established by a May 18, 2000 mail ballot; Cochairs appointed by a June 13, 2000 mail ballot and members appointed by an October 12, 2000 mail ballot.

31 MEMBERS: 3 Senators; 3 Representatives and 25 Public Members.

LEGISLATIVE COUNCIL STAFF: Robert Conlin, Senior Staff Attorney; Nicholas Zavos, Staff Attorney; and Julie Learned, Support Staff.

Committee Materials List

November 20, 2000 Meeting

Preliminary agenda for the November 20 meeting

Wisconsin's Labor Market, prepared by Terry Ludeman, Department of Workforce Development, Division of Workforce Excellence, Labor Market Economist

Wisconsin's Labor Shortages Disappear Overnight!, prepared by Terry Ludeman, Department of Workforce Development, Division of Workforce Excellence, Labor Market Economist

"Employer Responses to Labor Shortages," *Community Economics Newsletter*, prepared by Gary Paul Green, Center for Community Economic Development, University of Wisconsin (UW)-Extension, No. 275 (September 1999)

Wisconsin's Economy in the Year 2010, prepared by Dennis K. Winters, President, Relevant Economic Analysis Limited, William A. Strang, Professor Emeritus, School of Business, and John P. Klus, Professor Emeritus, Engineering Professional Development, UW-Madison, School of Business (2000) **(Provided to committee members only; a copy can be viewed at the Legislative Council Staff offices or may be purchased from the UW-Madison School of Business.)**

The State of Working Wisconsin, prepared by Laura Dresser and Joel Rogers, Center on Wisconsin Strategy (2000)

"Wisconsin's Labor Shortage," *The Wisconsin Taxpayer*, Vol. 68, No. 4 (April 2000). **(Provided to committee members only; a copy can be viewed at the Legislative Council Staff offices or may be obtained from the Wisconsin Taxpayers Alliance.)**

Letter, with enclosures (Labor Market Supply and Demand; Removing Transportation Barriers to Employment: The Impact of Driver's License Suspension Policies on Milwaukee County Teens; and Survey of Job Openings in the Milwaukee Metropolitan Area: Week of May 15, 2000), from John Pawasarat, Director, Employment and Training Institute, UW-Milwaukee, University Outreach, Employment and Training Institute (11-14-00)

December 11, 2000 Meeting

Preliminary agenda for the December 11, 2000 meeting

The Tourism Sector: Workforce Needs of the Future, prepared by Charles J. Metelka, Ph.D., University of Wisconsin-Stout (undated), submitted by Moose Speros, Secretary, Wisconsin Department of Tourism

January 22, 2001 Meeting

Preliminary agenda for the January 22, 2001 meeting

Memorandum, **Suggestions From the Members of the Labor Shortage Study Committee**, to Senator Gary R. George and Representative Jean Hundertmark, Cochairs, Legislative Council's Special Committee on Labor Shortage (12-6-00; updated 1-11-01)

Document, **Report of the Wisconsin Economic Summit**, submitted by the office of Katharine C.

Lyall, President, University of Wisconsin System (undated)

[Brochure](#), Wisconsin Economic Summit, Post-Summit Report, submitted by the office of Katharine C. Lyall, President, University of Wisconsin System (undated)

[Testimony](#), J.L. Davis, Executive Secretary, Educational Approval Board

February 12, 2001 Meeting

[Preliminary agenda](#) for the February 12, 2001 meeting

[Letter](#), to Senator Gary George and Representative Jean Hundertmark, from Rolf Wegenke, Ph.D., President, Wisconsin Association of Independent Colleges and Universities (1-26-01)

[Letter, with enclosure](#), to Robert Conlin, Senior Staff Attorney, from Jennifer Reinert, Secretary, Department of Workforce Development (1-24-01)

[Letter](#), to Senator Gary R. George and Representative Jean L. Hundertmark, from Timothy Hanley, P.E., President, State Engineering Association (1-19-01)

[Testimony](#), Carl Gulbrandsen, Managing Director, Wisconsin Alumni Research Foundation

[Testimony](#), Dr. John R. Birkholz, President, Milwaukee Area Technical College

[Summary](#) of suggestions generated at the Think Tank for the Governor's Initiative for Building Tomorrow's Workforce, provided by Dr. Richard Gartner

[Suggestions From the Members of the Labor Shortage Study Committee](#) (12-6-00; updated 2-5-01)

March 12, 2001 Meeting

[Preliminary agenda](#) for the March 12, 2001 meeting

[Memo No. 1](#), Listing of All Specific Recommendations Received by the Committee

[Letter](#), to Senator Gary R. George and Representative Jean Hundertmark, from Rolf Wegenke, Ph.D., President, Wisconsin Association of Independent Colleges and Universities, and attachment (Higher Education in America's Metropolitan Areas <http://www.atlantahighered.org/>) (2-12-01)

[Letter](#), to Senator Gary George and Representative Jean Hundertmark, from Milwaukee W-2 agencies (2-19-01)

[Brochure](#) and [Powerpoint slides](#) from Judy Peirick, Webcrafters, Inc.

Materials from the Employers Workforce Development Network:

[EWDN 3/12/01 presentation](#)

[Current members](#)

[Brochure](#)

[EWDN portion of ETA grant](#) applied for in collaboration with Bay Area Workforce Development Board in January, 2001

April 23, 2001 Meeting

Preliminary agenda for the April 23, 2001 meeting

Memo No. 2, Committee Recommendations (4-13-01)

WLC: 0123/1, relating to job retention programs; and making an appropriation

WLC: 0124/1, relating to an annual report on the labor shortage

WLC: 0125/1, relating to an education tax credit for businesses

WLC: 0126/1, relating to the employment skills advancement program

WLC: 0127/1, relating to job skill course reporting

WLC: 0129/1, relating to a workforce diversity grant program

WLC: 0130/1, relating to a student loan forgiveness study

WLC: 0131/1, relating to the fee for an occupational license

WLC: 0132/1, relating to a comprehensive tax study

WLC: 0133/1, relating to the promotional activities of Forward Wisconsin, Inc.

WLC: 0135/1, relating to memorializing Congress to study and modify the Social Security earnings limit

WLC: 0136/1, relating to providing technical college classrooms for employment-related training

WLC: 0137/1, relating to a productivity enhancement training expense tax credit

WLC: 0138/1, relating to applied technology centers

WLC: 0139/1, relating to an advanced journeyworker credential pilot program

WLC: 0140/1, relating to the transfer of development zone tax credits for remediation

LRB-2911/1, relating to an apprenticeship tax credit (A draft of this proposed legislation will be distributed at the April 23 meeting.)

Draft letter to **Jon E. Litscher**, Secretary, Department of Corrections (April, 2001)

Draft letter to **Dean Amhaus**, President, Forward Wisconsin, Inc. (April, 2001)

Draft letter to **Senator Robert Wirth and Representative Daniel Vrakas**, Co-Chairs, Joint Survey Committee on Retirement Systems (April, 2001)

Draft letter to **Katherine Lyall, President, University of Wisconsin System, and John Benson, Superintendent, Department of Public Instruction** (April, 2001)

Draft letter to **Jennifer Reinert**, Secretary, Department of Workforce Development

(April, 2001)

Draft letter to Senator Brian Burke and Representative John Gard, Co-Chairs, Joint Committee on Finance (April, 2001)

Final reports of the three discussion groups:

Public Sector

Education

Private Sector - 1

Private Sector - 2

Memorandum from Dr. Madeline Wake, Dean, Marquette University College of Nursing, Proposal to Address Nursing Shortage (3-12-01)

Memorandum from Dr. Madeline Wake, Dean, Marquette University College of Nursing, Input to Address the Nursing Shortage (3-12-01)

Illinois Nursing Education Scholarship Law

Letter, from Shon Doyle, Wisconsin Workforce Development Association Chair, and Cheryl Welch, WAJTE President (3-13-01)

Article, DWD: Construction employment to grow, The Daily Reporter: Construction News (3-21-01)

Letter, from Lyle A. Balistreri, President, Milwaukee Building and Construction Trades Council (3-2-01)

Letter, from John Metcalf, Director, Wisconsin Manufacturers and Commerce (3-30-01)

Press Release, Representatives Plale & Hoven Announce "Working Families Initiative" (3-5-01)

2001 Assembly Bill 124, "Lactation Tax Credit Bill"

2001 Assembly Bill 183, "On-Site Day Care Tax Credit Bill"

Memorandum, from Diane M. Peters, Vice President of Workforce Development, Wisconsin Health and Hospital Association, Inc., WI Technical College System Health Occupation Program (4-4-01)

Letter, from John Metcalf, Director, Wisconsin Manufacturers and Commerce (4-6-01)

Letter, from Marc Harding, Chief Operating Officer, Jurmain Holdings, Inc. (4-4-01)

Draft Letters

May 1, 2001

Representative Daniel Vrakas
Room 119 West, State Capitol
Madison, WI 53702

Senator Richard Grobschmidt
Room 104 South, State Capitol
Madison, WI 53702

Dear Representative Vrakas and Senator Grobschmidt:

As cochairs of the Joint Legislative Council's Special Committee on Labor Shortage, we write to you in your capacities as cosponsors of the apprenticeship tax credit proposal (LRB-2911/1).

As you know, the Joint Legislative Council's Special Committee on Labor Shortage has recommended the apprenticeship tax credit proposal as part of its final recommendation to the Joint Legislative Council. During its deliberations on the proposal, however, some committee members expressed a belief that the proposal should be expanded to include other crafts or trades. The committee realized that the apprenticeship program is vital to the state's long-term economic success as we approach a period where more people will be leaving the crafts and trades than will be entering. It was for this reason that the committee supported the limited apprenticeship tax credit proposal as a means of encouraging the growth of the apprenticeship program.

As Wisconsin's labor shortage heightens, however, we encourage you, as cosponsors of the original apprenticeship tax credit proposal, to consider expanding the program to include other crafts or trades.

Thank you for your consideration of this request.

Sincerely,

Senator Gary George, Co-Chair
Special Committee on Labor Shortage

Representative Jean Hundertmark, Co-Chair
Special Committee on Labor Shortage

May 1, 2001

Senator Brian Burke, Co-Chair
Joint Committee on Finance
Room 316 South, State Capitol
Madison, WI 53702

Representative John Gard, Co-Chair
Joint Committee on Finance
Room 315 North, State Capitol
Madison, WI 53702

Dear Co-Chairs Burke and Gard:

As you may know, the Joint Legislative Council's Special Committee on Labor Shortage has recently concluded its six-month study of the state's current and future workforce needs. Wisconsin faces a number of challenges in the coming years in ensuring that we have a highly trained, highly educated workforce. The Special Committee on Labor Shortage is recommending the introduction of a number of specific proposals to help address this situation and to put Wisconsin on the road to taking a serious look at the looming labor shortage. However, the committee also felt the state needs to take other action if it is to remain competitive in the global economy.

In order to attract workers to the state, we need to make our level of taxes less burdensome. The committee believed that while the quality of life in Wisconsin is one of the state's major assets, its high tax burden lessens its attractiveness as a place to relocate to. Wisconsin must continue to make strides in lowering its overall tax burden, but in a way that does not destroy the quality of life we all enjoy.

In addition, even though the business community must do its fair share to attract, train and retain valuable employees, the state can help by offering businesses modest incentives to offer basic employment training, high-tech advanced training and family-friendly workplaces.

Additionally, the Special Committee recognized that although the state faces a labor shortage in the aggregate, pockets of the state are experiencing very high levels of un- and underemployment. The state needs to step up its efforts to encourage new and expanding businesses to locate in those parts of the state where the underutilized workforce resides.

Further, an adequately trained workforce will be essential at a time when fewer people will be asked to do substantially more. The state's educational institutions must be sufficiently funded to meet the educational and training needs of tomorrow's workforce.

As you undertake your budget deliberations, we ask that you keep these points in mind and, to the extent possible, work to ensure that the budget that emerges from the Joint Committee on Finance adequately addresses these concerns.

As a final matter, the Special Committee wanted you to know that it supports the provision in the budget which extends the sunset date for expenditures on applied technology centers without referendum approval from January 1, 2002 to July 1, 2003. Although we understand that this provision is on the list of “policy items” to be deleted from the budget and introduced as separate legislation, the committee felt this item was good public policy and should garner Joint Committee on Finance approval.

Thank you for your consideration of these requests.

Sincerely,

Senator Gary George, Co-Chair
Special Committee on Labor Shortage

Representative Jean Hundertmark, Co-Chair
Special Committee on Labor Shortage

May 1, 2001

Mr. Jon E. Litscher, Secretary
Department of Corrections
149 East Wilson Street
P.O. Box 7925
Madison, WI 53707-7925

Dear Secretary Litscher:

Over the past six months, the Joint Legislative Council's Special Committee on Labor Shortage has been examining the current labor shortage in Wisconsin and grappling with possible solutions. One of the ideas that the committee consistently returned to is the potential for untapped groups, such as prisoners and ex-offenders, to enter the workforce.

The committee sees the utilization of these groups as benefiting both the individual offenders and the state as a whole. Wisconsin is currently facing a labor shortage that is predicted to become severe. Employers are having difficulty filling job openings due increasingly to the effect of two demographic trends--a lower birth rate and an aging baby-boom era workforce. As more workers retire, there are fewer workers to replace them. Further, the state is experiencing a net loss of college graduates; and groups such as women and young people that have traditionally been underrepresented in the workforce are participating in ever-larger numbers. This phenomenon heightens the state's need to turn to nontraditional sources of labor. The committee believes that prisoners and ex-offenders have the potential to become one of the state's largest untapped resources.

With that potential in mind, the committee is recommending legislation that would require the Department of Corrections to report on current job training programs that are offered to prisoners. The report would also include an analysis of the racial composition of this program in relation to the racial composition of the prison population as a whole and any recommendations the department has for effective programs to help prisoners and ex-offenders enter the workforce.

In addition to this legislation, the committee has a number of different ideas about how to more effectively bring prisoners and ex-offenders into the workforce. These include:

1. Alcohol and drug abuse treatment as an alternative to incarceration of nonviolent offenders.
2. Work and job training for nonviolent offenders as either an alternative to incarceration or as a means of reducing the prisoner's sentence.
3. The acquisition of basic skills as a way for prisoners to reduce their sentences; advancement in reading and math skills and achieving a GED could be factors to consider.

With the advent of truth-in-sentencing and the potential for longer prison terms, the committee feels that it is essential to ensure that when offenders do return to society, they can do so as valuable working citizens. The committee strongly urges you to utilize any current programs and look into developing new programs that might accomplish the above-stated goals. The committee also hopes that you will support the proposed legislation.

Thank you for taking the time to consider the Special Committee's recommendations and ideas.

Sincerely,

Senator Gary George, Co-Cochair
Special Committee on Labor Shortage

Representative Jean Hundertmark, Co-Chair
Special Committee on Labor Shortage

May 1, 2001

Katharine Lyall, President
University of Wisconsin System
1720 Van Hise Hall
1220 Linden Drive
Madison, WI 53706

John Benson, Superintendent
Department of Public Instruction
125 South Webster Street
P.O. Box 7841
Madison, WI 53707

Dear President Lyall and Superintendent Benson:

As Co-Chairs of the Joint Legislative Council's Special Committee on Labor Shortage, we are writing to you in your capacities as leaders of the PK-16 Council.

Over the last six months, the Special Committee on Labor Shortage has reviewed what may be one of the most significant issues to affect the state in quite some time--the labor shortage and Wisconsin's workforce needs. Since both of you testified before the committee, you are well aware that the committee heard considerable testimony concerning the special role that education plays in meeting Wisconsin's future workforce needs. The committee applauds your leadership in establishing the PK-16 Council and the attention the Council will bring to the critical role of education as we face a declining workforce.

During its study of the labor shortage, the Special Committee was concerned that the state does not appear to have any comprehensive mechanism for identifying critical labor shortages in a given industry or occupation and, consequently, has no coordinated approach to ensure that the state's educational institutions are taking measures to respond accordingly. In addition, the Special Committee was troubled by the difficulties students have in transferring between Wisconsin's institutions of higher education. Finally, the Special Committee believed that our K-12 institutions need to do a better job of promoting the skilled trades as viable alternatives to the traditional baccalaureate programs.

We know that the PK-16 Council shares our concerns about having an adequately educated and trained workforce. We hope you will agree to consider the above concerns and to use the Council's unique position to address these areas and to make recommendations, where appropriate, to the Legislature for legislative action to resolve these concerns. The Special Committee felt strongly that action to address the labor shortage must happen quickly. Therefore, we encourage you to review these matters and make any necessary recommendations to the Legislature by this coming Labor Day.

We thank you for your attention to this matter and for your commitment to the future of Wisconsin.

Sincerely,

Senator Gary George, Co-Chair
Special Committee on Labor Shortage

Representative Jean Hundertmark, Co-Chair
Special Committee on Labor Shortage

May 4, 2001

Ms. Melanie Platt-Gibson, Interim President
Forward Wisconsin, Inc.
201 West Washington Avenue, Suite 500
Madison, WI 53703

Dear Ms. Platt-Gibson:

The Joint Legislative Council's Special Committee on Labor Shortage has spent the past six months examining the current labor shortage in Wisconsin and grappling with possible solutions. The committee appreciated the presentation by Dean Amhaus and took particular interest in the activities of Forward Wisconsin, Inc.

As you know, Wisconsin is currently facing a labor shortage that is predicted to become severe. Wisconsin employers are having difficulty filling job openings due increasingly to the effect of two demographic trends—a lower birth rate and an aging baby-boom era workforce. As more workers retire, there are fewer workers to replace them. The state is experiencing a net loss of college graduates. Wisconsin will only have limited opportunities to tap underrepresented groups such as young people and adults because they are already participating in the workforce in very high numbers. While the committee feels that it is important to utilize the workers who are already here in the state, the committee believes that those workers alone will not be enough to meet the state's needs.

The committee asks that Forward Wisconsin work cooperatively with the Department of Workforce Development (DWD) to recruit workers to the state. The committee was concerned that the location of recruitment programs in multiple state agencies may confuse workers and businesses, and decrease the accessibility of the programs. Coordination among DWD and organizations such as Forward Wisconsin will help ensure that groups enjoy access to the panoply of programs offered by the state.

The committee would like to offer some suggestions for recruiting workers to the state. Specifically, the committee feels that retiring military personnel are a valuable and highly trained pool of workers. The committee requests that Forward Wisconsin try to recruit military personnel who are about to retire or otherwise leave the service. In addition, the committee would encourage Forward Wisconsin to develop relationships with recruitment companies and Wisconsin businesses so that Forward Wisconsin could refer potential employees who want to move to Wisconsin.

Thank you for taking the time to consider the Special Committee's recommendations and ideas.

Sincerely,

Senator Gary George, Co-Chair
Special Committee on Labor Shortage

Representative Jean Hundertmark, Co-Chair
Special Committee on Labor Shortage

May 1, 2001

Secretary Jennifer Reinert
Department of Workforce Development
201 East Washington Avenue
GEF 1, Room 400x
P.O. Box 7946
Madison, WI 53707-7946

Dear Secretary Reinert:

The Joint Legislative Council's Special Committee on Labor Shortage has spent the past six months studying the current labor shortage in Wisconsin and grappling with possible solutions. The committee appreciated your presentation and found the information provided by the department very helpful.

As you well know, the labor shortage is a very serious problem facing Wisconsin. Our economy is quite good, and the unemployment rate is low. However, workers are scarce, and many predict the problem is only going to get worse. The baby boom generation is moving toward retirement, and there has been a precipitous drop in the birth rate in those generations following the baby boom. While a large percentage of our high school students go on to four-year colleges or universities, we do not have a similarly high percentage of residents with baccalaureate degrees. Some argue that this is evidence of a loss of educated residents to other states, a "brain drain." Further, the youth labor participation rate in Wisconsin is very high, so there is not a large population to tap into.

The committee believes the apprenticeship program has the potential to ameliorate the labor shortage. The committee urges the Department of Workforce Development to make the apprenticeship program more vital by facilitating easier access to the program through administrative changes and by developing programs to build on access to youth apprenticeship programs for minorities and women. Such programs could include recruitment of middle and high school youth, pre-apprenticeship training and mentoring, support services for apprentices and their employers, and expansion of the apprenticeship programs into nontraditional industries.

By focusing efforts on youth apprentices, Wisconsin has the potential to grow its own high-skilled workers. Along this same line, the committee supports the creation of "2+2+2 programs" to encourage early planning for vocations. This support could include changes in licensure to allow shared faculty and increased flexibility in the use of funds to allow cost-sharing.

More generally, the committee feels that there should be a single state entity that coordinates and delivers services to job seekers and workers. Along these lines, the committee urges you to coordinate your efforts to recruit workers with Forward Wisconsin. While the committee feels that it is important to utilize the workers who are already in the state, the committee believes that those workers will not be enough. The committee believes that a coordinated effort by the department and Forward Wisconsin could bring a number of qualified workers to the state.

Finally, the committee is recommending legislation that would require the department to compile and distribute a list of basic job skills training programs around the state. While the proposed legislation would require the report to be distributed to the one-stop job centers, the committee wanted

to make sure that the information also be communicated to employers. The committee asks that you make efforts to encourage communication and cooperation between local one-stop job centers and employers.

The committee asks that you examine ways to implement the above suggestions, and hopes that you will support the proposed legislation.

Thank you for taking the time to consider the committee's suggestions.

Sincerely,

Senator Gary George, Co-Cochair
Special Committee on Labor Shortage

Representative Jean Hundertmark, Co-Chair
Special Committee on Labor Shortage

May 4, 2001

Senator Robert Wirsch, Co-Chair
Joint Survey Committee on Retirement Systems
Room 310 South, State Capitol
Madison, WI 53702

Representative Daniel Vrakas, Co-Chair
Joint Survey Committee on Retirement Systems
Room 119 West, State Capitol
Madison, WI 53702

Dear Co-Chairs Wirsch and Vrakas:

As Co-Chairs of Joint Legislative Council's Special Committee on Labor Shortage, we are asking that the Joint Survey Committee on Retirement Systems review ways to modify the Wisconsin Retirement System (WRS) to make it easier for WRS retirees to return to work for state or local governments.

Over the last six months, the Joint Legislative Council's Special Committee on Labor Shortage reviewed what may be one of the most significant issues to affect the state in quite some time--the labor shortage and Wisconsin's workforce needs. Among the many findings of the committee was the fact that Wisconsin employers are having difficulty filling job openings due increasingly to the effect of two demographic trends--a lower birth rate and an aging baby boom-era workforce. As more people retire, there are fewer workers to replace them. We believe that it is only natural that the state and local governments are, or will soon be, experiencing the same difficulty in finding workers. Thus, it is imperative that we find new and innovative ways to retain our valuable government employees. Committee members believe that some of the current state rules governing WRS may discourage older government workers from remaining on the job longer or from returning to the workplace after they have officially retired.

You will soon be receiving the final report of the Department of Employee Trust Funds Transitional Retirement Study. As the enclosed interim report of that study indicates, "a key question the study hopes to answer is what retirement benefit design(s) can best meet the needs of aging employees who choose to transition into retirement and also enable employers to retain the talent and experience offered by this group."

We hope you will review the final report when you receive it with an eye towards the critical labor shortage that the state and local governments may face in the future, and that you will work to find ways to modify the WRS to accommodate both the aging workforce and government's need for skilled workers.

Sincerely,

Senator Gary George, Co-Cochair
Special Committee on Labor Shortage

Representative Jean Hundertmark, Co-Chair
Special Committee on Labor Shortage

Discussion Group Recommendations
Private Sector Group
Final Report on Labor Shortage

The following are the comments & recommendations of the Private Sector discussion breakout group on labor shortage.

Committee Members: Group Leader: Jim Macejkovic, Members: Rep. Dan Vrakas, Eric Parker, Ellie Hein, Jim Cavanaugh, Lola Roeh, Mark Kindschi, Gregg Meyer, Hank Wallace, Paul Linzmeyer, Kathy Potos, Michael Hoffman, A.J. Amato

Restated Goals of our Sub-Committee

Our goals are: To define the problems we are facing, offer Legislative based solutions, and list non-legislative suggestions that we believe in.

Define Problem Areas

The statements below were collected from our group discussions on attempting to define the problem areas. Included in some of the notes are source quotes from testimony given to the committee.

- We agree that most geographical areas of our state are facing a current labor shortage, but there are pockets that actually have an abundance of workers. Examples of areas with an abundance of workers include; City of Milwaukee Inner City, City of Racine, Cities of Janesville & Beloit, City of Madison South Side, and Eau Clair County, Brown County, and Marathon County. *Source: Terry Ludeman, DWD.*
- We all agreed there is a shortage of skilled people statewide. 50% of Wisconsin employers have hired non-qualified workers in the last two years because they can't find qualified workers. *Source: Gary Green, UW extension for community economic development.* Lack of skilled workers ranked 3rd in a survey this year, compared to 10th last year out of 75 issues effecting small business. *Source: Bill Smith, National federation of independent business.*
- We agreed that Healthcare, Construction, and the Service Industry are experiencing shortages.
- Key reasons we are or will be facing a labor shortage in Wisconsin include:
 1. The strong economy since 1992 is creating higher job demands.

2. We have a shrinking labor pool because baby boomers did not have as many children as their parents did.
 3. With the baby boomers (who represent the largest percentage of the Wisconsin workforce) now starting to retire. We have an increased demand on the labor pool, and a significant skill deficit.
 4. Older people today have more wealth than our previous generation and do not need to work.
 5. 75% of Wisconsin's population 16 years old & older participate in the labor force. WI has lead the nation in 2 of the last 3 years in labor force participation, and 69% of Wisconsin females are working compared to a 55% national average. There is no more room to grow!
 6. Wisconsin ranks last nationally for AIn-migration" or people coming to Wisconsin to work, and ranks 7th in AOut-migration≡ or people leaving the state to work.
 7. 100,000 people per day cross the Wisconsin border on their way to work. Problem is 82,000 of them leave the state to work, and only 18,000 drive in. *Source #1-5: Terry Ludeman, DWD. #6 - 7: John Pawasarat, UW-Milwaukee employment and training institute.*
- Regulations stumbling over each other. An example is the law that suspends the drivers license of individuals that haven't paid fines unrelated to driving like; jay walking or loitering, therefore prohibiting their means of obtaining higher paying jobs outside of public transportation areas. *Source: John Pawasarat, UW-Milwaukee employment and training institute.*
 - We need to do a better job of pooling resources. Many state and public entities have similar programs with no central clearinghouse.
 - All workforce development should funnel out of one clearinghouse. There are too many hands in the pot.
 - There are 40,000 people in the central city under employed due to a lack of skills upgrading, schooling help, and unavailability of low cost daycare. *Source: Julia Taylor, YWCA*
 - State funded agencies need more independent audits to see if they are spending money in the right place, and to justify the use of the funding.
 - We lack a strategic plan for the state so we would all be on the same page and looking at the big picture.
 - There is a disconnect of young people into what careers paths are available.

- We lack encouragement for businesses to locate into the central city where there is a surplus of workers available. Some current roadblocks to this include expensive land values and restrictive pollution controls.
- The practice of rating high schools by what percentage of their graduates go on to college is discouraging and preventing students from being exposed to all career opportunities.
- A Lack of enticement for more employers to take a role in apprenticeship training. Currently the brunt of the training is falling on a disproportionately small number of companies. Just fewer than 1,800 Wisconsin construction companies of the 15,164 construction companies in Wisconsin had apprenticeship programs last year. In addition, just 2 percent or 335 of the total number of employers account for two-thirds of all the training. *Source: Karen Morgan, DWD & Wisconsin Blue Book*
- Over the next 10 years the construction employment in Wisconsin will grow by over 18,000 new jobs to reach 126,000 people employed in the state. In addition 40% or 43,200 of the current construction workforce will retire in the next 10 years meaning we will need to hire and train 61,000 workers in the next 10 years, or 6,100 workers per year. Currently only 1,750 new construction apprentices are entering the workforce each year, leaving us 4,350 people short per year for the next 10 years. *Sources: Dennis Winters, Relevant Economic Analysis Limited. & Terry Ludeman, DWD.*
- It's taking too long to speed up the Internet bandwidth so it can be used more as a tool.
- There is a lack of incubator programs for the service industry to teach their employees computer skills, soft skills, and math skills.
- Lack of on-line learning opportunities.
- Lack of coordination of K-12 educational offerings, plus matching those offerings to the type of work your surrounding geographical area has. In addition we have too many students on waiting lists due to lack of funding. IE. WTCS has a waiting list of 323 students wanting to take Registered nursing, *Source: Jack Keating, Chancellor UW-Parkside, Dr. John Birkholz President MATC*
- Lack of educating employers on how to tap into the disabled population.
- Roadways, water, sewer, electrical distribution infrastructure needed repairs are contributing to the draining of the labor pool.

Force Ranking of Solutions

Committee Member Recommendations:

The 54 Possible Solutions outlined in the February 5, 2001 memorandum was first broken down into 3 categories; labor shortage, brain drain, or add diversity. They were then forced

rank by their category. The following is the breakdown of the possible solutions by category listed by their line number on the memorandum. Some items fell under multiple categories and are listed as such.

Labor Shortage: Numbers 2, 3, 5, 6, 7, 9, 10, 12, 13, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39, 40, 43, 44, 45, 46, 47, 49, and 54.

Brain Drain: Numbers 1, 2, 4, 8, 15, 20, 23, 25, 26, 36, 40, 41, 42, 44, 45, 50, 51, 52, and 53.

Add Diversity: Numbers 11, 14, 15, 21, 22, 24, 29, 30, 44, 48, and 49.

The following are the force ranked ideas in each category to receive 4 or more votes.

Labor Shortage (Receiving 4 or more votes)

#12. (6 votes) Provide incentives to employers who take a proactive stance toward workforce development. For example, reward those companies that have aggressive training programs, tuition reimbursement, or diversity strategies.

#23 (6 votes) Establish a “worker attraction program” to improve Wisconsin’s poor ranking in getting workers to move to Wisconsin.

#6 (5 votes) Examine ways to entice employers into using the apprenticeship program.

#7 (5 votes) Look at ways to tap into the retired workforce. Specifically, one member suggested that there is a problem with private pension and health funds preventing retirees from helping out during peak periods (for example, in the construction industry during the summer).

#9 (5 votes) Create more flexible funding streams to assist employers and public agencies in funding workplace training models.

#10 (5 votes) Combine the workforce development efforts (including funding) of the Department of Commerce, Department of Workforce Development, and other relevant state agencies.

#44 (4 votes) Provide testing for school dropouts to identify where their aptitudes lie.

#47 (4 Votes) Increase grants to students not just based on need but also based on their participation in high-need areas such as nursing, tool and dye, etc.

Followed by (3 Votes) #54. (2 Votes) #5, 13, 33, 40. (1 Vote) #2, 3, 17, 20, 21, 22, 24, 28, 29, 35, 37, 38, 39, 43, 46. (0 Votes) #16, 18, 19, 27, 30, 31, 32, 34, 49.

Brain Drain (Receiving 4 or more votes)

#2 (8 Votes) Form a partnership between businesses and colleges to provide summer internships to college students so that students get hooked up with a Wisconsin business before “out-of-state raiders get a hold of them.”

#1 (7 Votes) Stop the brain drain by forgiving a portion of a student's loan if the student stays in Wisconsin after graduation.

#4 (6 Votes) Convert the state lottery credit to a "Hope Fund" modeled after Georgia's. In Georgia the fund uses the money to help pay college tuition for any resident whom maintains a "B" average.

#25 (5 Votes) Reduce the student loan interest rate for post-secondary students that stay in Wisconsin.

#36 (5 Votes) Create individual tax credits for recent graduates of both in- and out-of-state colleges.

#15 (4 Votes) Increase the flexibility of educational institutions in addressing the needs of nontraditional students, i.e. night and weekend courses, long-distance education, flexible scheduling, taking the classroom to the community, and developing associate degree to baccalaureate bridge programs.

#53 (4 Votes) Increase financial support for out-of-state students at the UW System schools who remain in Wisconsin after graduation for a specified number of years.

Followed by (3 Votes) #40, 42, 52. (2 Votes) #20, 50. (1 Vote) #8, 23, 26, 45. (0 Votes) #41, 44, 51.

Add Diversity (Receiving 4 or more votes)

#21 (6 Votes) Investigate revising laws that suspend drivers' licenses because of not paying fines for non-driving penalties, as suggested by John Pawasarat.

#30 (7 Votes) Establish tax credits for businesses who support on-site day care.

#11 (6 Votes) Help companies develop diversity strategies. One member suggested that while the Employers Workforce Development Network is doing this on a local level, a subcommittee consisting of educators, business people and government people could design a diversity strategy model to market state-wide.

#24 (6 Votes) Develop ways to encourage businesses to locate in areas with high underemployment rates in order to bring jobs to where a large number of workers are (e.g., Allen Edmonds Shoe Company).

#29 (6 Votes) Establish credits for businesses who have organized on-site training.

#14 (4 Votes) Incorporate nontraditional workers, such as those who are physically or mentally handicapped, or are just learning English, through a partnership with public agencies.

#22 (4 Votes) Establish a fund for low-cost loans for people in urban areas to obtain cars with a simple paycheck deduction through the employer.

Followed by (3 Votes) #15, 44, 49. (2 Votes) #48. (1 Vote) #7,54. (0 Votes) None

Presenters or Public Recommendations:

The 138 Specific Recommendations from Presenters or the Public outlined in the March 5, 2001 memorandum were force ranked by total number of votes received. The following is the listing of the top 30 ideas, followed by the rest of the ideas.

#30 (25 Votes) Raise the visibility, understanding and appreciation of technical occupations through an on-going comprehensive marketing program designed to inform students and parents of the value of technical education and technical careers, particularly those in high demand. [Task Force]

#1 (24 votes) Better utilize existing pools of unused workers, especially those concentrated in urban areas and persons with disabilities. [Terry Ludeman, DWD]#48 (24 votes) Develop strategies to encourage university and technical college system graduates to stay in the state. [DWD/Reinert]

#48 (24 Votes) Develop strategies to encourage university and technical college system graduates to stay in the state. [DWD/Reinert]

#57 (24 Votes) Remove barriers to recalling retired workers, especially state employees who must wait 30 days. [Lyll]

#67 (24 votes) Educate the career counselors. [Klavas]

#102 (24 votes) Provide more work-based learning options. [Think Tank/Gartner]

#109 (24 Votes) Provide more apprenticeship outreach to employers. [Karen Morgan, DWD]

#110 (24 votes) Provide employer incentives for participation in the apprenticeship program. [Morgan]

#112 (24 votes) Provide outreach staff to the Apprenticeship Bureau to do outreach to employers. [Morgan]

#121 (24 votes) The state should increase its share of federal money returning to the state. [Winters, Strang, and Klus]

#122 (24 votes) Wisconsin should take the initiative to promote the state as a “good deal” in terms of taxes versus services rendered. [Winters, Strang, and Klus]

#46 (23 Votes) Explore options to keep Wisconsinites from leaving the state. [DWD/Reinert]

#60 (23 votes) Support programs that bring more federal dollars back to Wisconsin including UW research. [Lyll]

#68 (23 Votes) Facilitate substantial partnerships between tourism entities and educational institutions in the form of school-to-work programs and credit for experience in apprenticeship programs. [Klavas]

#83 (23 votes) Increase incentive programs to attract and retain recent graduates and new students to Wisconsin, e.g., tax incentives, college loan forgiveness, out-of-state tuition reduction with a four-year post-graduate commitment, reciprocity between out-of-state schools. [Think Tank/Gartner]

#100 (23 Votes) Provide more information and earlier information to young people on career development options. [Think Tank/Gartner]

#105 (23 votes) Continue business development in the central city. [Julia Taylor, YW Works]

#107 (23 Votes) Involve employers in the entire process to determine the standard skills necessary for the jobs, creatively develop training that meets the deficit of the unemployed and the commitment of the employer to then hire those individuals. [Taylor]

#111 (23 Votes) Develop marketing materials for the apprenticeship program. [Morgan]

#32 (22 votes) Eliminate the eligibility requirements that prevent many workers who would like to upgrade their skills from qualifying for state and federal resources. [Wisconsin Regional Training Partnership]

#34 (22 Votes) Provide tax credits or other incentives for employers to invest in the revival of apprenticeship programs in the manufacturing and service sectors. [Wisconsin Regional Training Partnership]

#39 (22 Votes) Enable local agencies to provide incentives for low-skill workers to enroll in full-time training programs that are linked to actual job offers. [Wisconsin Regional Training Partnership]

#41 (22 Votes) Provide additional funding for technical education at the secondary and post-secondary level. [AFL-CIO]

#47 (22 Votes) Further efforts to encourage those leaving military service to come back to their roots in Wisconsin. [DWD/Reinert]

#55 (22 Votes) Make college accessible through financial aid by ensuring that WHEG funding rises at the same rate as tuition increases and endorsing an employer tax credit for 50% of costs of education/training expenditures for Wisconsin workers modeled after the Jensen/Moore bill (1999 Assembly Bill 244). [Lyall]

#79 (22 Votes) Develop effective systems, policies, marketing and communication to increase the value of all career options, among parents, students, employers, counselors, teachers, etc. [Think Tank/Gartner]

#89 (22 Votes) Improve the quality of school-to-work programs. [Think Tank/Gartner]

#93 (22 Votes) Create a variety of incentives for employers and employees to seek training and retraining opportunities. [Think Tank/Gartner]

#98 (22 Votes) Lobby federal government to increase funding for the Division of Vocational Rehabilitation. [Think Tank/Gartner]

#101 (22 Votes) Mount a statewide marketing campaign to promote a wider variety of career options for young people. [Think Tank/Gartner]

#104 (22 Votes) Use technology to expand technical training and opportunities. [Think Tank/Gartner]

Followed by (21 votes) #2, 26, 28, 29, 31, 37, 43, 45, 49, 50, 59, 78, 87, 90, 91, 106, 113, 123, 125, 126, 131, and 137. (20 votes) #9, 17, 24, 36, 44, 61, 62, 64, 66, 73, 77, 84, 94, 132, 133, 135, 136, and 138. (19 votes) #3, 7, 10, 12, 16, 20, 21, 25, 42, 69, 70, 76, 81, 82, 86, 88, 97, 108, 114, 120, and 124. (18 votes) #11, 13, 15, 27, 40, 58, 65, 71, 75, 80, 95, 103, 115, 128, and 134. (17 votes) #4, 5, 6, 14, 22, 35, 38, 51, 63, 72, 74, 85, 92, 96, 99, 117, 119, and 130. (16 votes) #53, 54, 56, 118, and 129. (15 votes) #23, 33, 52, and 127. (13 votes) #116. (11 Votes) 8, 18, and 19.

Legislative Solutions

The following ideas represent the committee's suggestions that can directly relate to legislative based solutions. They were developed using the best suggestions from both the committee member's recommendations, and the presenters and public recommendations.

Legislative Recommendation #1

Items #9, and #12. Taken From the 59 recommendation suggestions received from the committee members. *Create more flexible funding streams to assist employers and public agencies in funding workplace-training models: Provide incentives to employers who take a proactive stance toward workforce development. For example, reward those companies that have aggressive training programs, tuition reimbursement, or diversity strategies.* Item #64, 78, and 93. Taken from the 138 specific recommendations from presenters or the public. *Support the proposed education tax credit as sponsored by Speaker Jensen and Senator Moore last session which would provide employers a credit equal to 50% of tuition paid at any Wisconsin college, university or technical college, and under which tuition can be paid for current or prospective employees, and under which such credit would rise to 75% of tuition paid for individuals at or below 185% of the poverty level. [Wegenke]: Public policy, legislation and funding efforts should be committed to addressing labor shortage issues such as making employment and training a priority under the Workforce Investment Act, providing tax credits to employers and individuals to invest in education, training and skill upgrading, and creating more proportionate distribution of funding among all education systems. [Think Tank/Gartner]: Create a variety of incentives for employers and employees to seek training and retraining opportunities. [Think Tank/Gartner]:*

Problems:

- There are 40,000 people in the central city under employed due to a lack of skills upgrading, schooling help, and unavailability of low cost daycare. *Source: Julia Taylor, YWCA*
- We lack encouragement for businesses to locate into the central city where there is a surplus of workers available. Some current roadblocks to this include expensive land values and restrictive pollution controls.
- There is a shortage of skilled people statewide. 50% of Wisconsin employers have hired non-qualified workers in the last two years because they can't find qualified workers. *Source: Gary Green, UW extension for community economic development.* Lack of skilled workers ranked 3rd in a survey this year, compared to 10th last year out of 75 issues effecting small business. *Source: Bill Smith, National federation of independent business*

Possible Legislative Solutions:

1. Revise unpassed 1999 Senate Bill 394 to only include the Job Retention Skills Development Program, Productivity Enhancement Training Expense Tax Credit, Applied Technology Centers, Advanced Journeyworker Credential Pilot Program, and Provide Flexibility with Development Zone Tax Credits for Remediation. (See pages 3, 4, 6, & 7 of bill faxed separate)
2. Create a pass through tax credit equal to 50% of a persons wages paid for by an employer, for time spent taking basic skills training like Reading, Math, and English.
3. Look at 3814 contracts to provide funding for technical college classrooms to be made available for employers to conduct training.
4. Make a listing of basic skills upgrading classes currently available, and distribute to trade associations throughout Wisconsin for disbursement to their members.

Legislative Recommendation #2

Item #23, Taken From the 59 recommendation suggestions received from the committee members. *Establish a "worker attraction program" to improve Wisconsin's poor ranking in getting workers to move to Wisconsin.* Item #3, 45, 59, 88, and 90. Taken from the 138 specific recommendations from presenters or the public. *Encourage in-migration to the state.* [Ludeman]: *Explore ways to recruit highly skilled workers from beyond the national borders.* [DWD/Reinert] *Invest in targeted campaigns to attract workers to Wisconsin, including supporting UW System efforts to attract alumni back to Wisconsin to join the state workforce.* [Lyall]: *Expand Wisconsin's workforce by increasing the minority and immigrant populations in the state.* [Think Tank/Gartner]: *Encourage Wisconsin's college graduates who may be working in other states to return to Wisconsin to work and raise their families.* [Think Tank/Gartner]:

Problems:

- Wisconsin ranks last nationally for AIn-migration” or people coming to Wisconsin to work, and ranks 7th in AOut-migration≡ or people leaving the state to work.

Possible Legislative Solutions:

1. Stop taxing social security benefits and other pensions. Wisconsin is one of the few states that tax these items.
2. Continue funding “Forward Wisconsin’s” efforts to attract workers, and let them take the lead on this issue.

Legislative Recommendation #3

Item #6. Taken from the 59 recommendation suggestions received from the committee members. *Examine ways to entice employers into using the apprenticeship program.* Items #30, 34, 56, 67, 75, 79, 100, 101, 109, 110, 111, and 112. Taken from the 138 specific recommendations from presenters or the public. *Raise the visibility, understanding and appreciation of technical occupations through an on-going comprehensive marketing program designed to inform students and parents of the value of technical education and technical careers, particularly those in high demand.* [Task Force]: *Provide tax credits or other incentives for employers to invest in the revival of apprenticeship programs in the manufacturing and service sectors.* [Wisconsin Regional Training Partnership]: *Recommend that business tax credits already on the books be reviewed and focused on firms that add high income jobs or upgrade their existing job mix to add jobs that pay more than the current state average income of \$24,500 per year.* [Lyll]: *Educate the career counselors.* [Klavas]: *Provide organizational incentives to high-wage paying employers such as tax credits to employers for tuition reimbursement, tax credits for state-approved apprenticeship, lower tax base.* [Think Tank/Gartner]: *Develop effective systems, policies, marketing and communication to increase the value of all career options, among parents, students, employers, counselors, teachers, etc.* [Think Tank/Gartner]: *Provide more information and earlier information to young people on career development options.* [Think Tank/Gartner]: *Mount a statewide marketing campaign to promote a wider variety of career options for young people.* [Think Tank/Gartner]: *Provide more apprenticeship outreach to employers.* [Karen Morgan, DWD]: *Provide employer incentives for participation in the apprenticeship program.* [Morgan]: *Develop marketing materials for the apprenticeship program.* [Morgan]: *Provide outreach staff to the Apprenticeship Bureau to do outreach to employers.* [Morgan]:

Problems:

- A Lack of enticement for more employers to take a role in apprenticeship training. Currently the brunt of the training is falling on a disproportionately small number of companies. Just fewer than 1,800 Wisconsin construction companies of the 15,164 construction companies in Wisconsin had apprenticeship programs last year. In addition,

just 2 percent or 335 of the total number of employers account for two-thirds of all the training. *Source: Karen Morgan, DWD & Wisconsin Blue Book*

- Over the next 10 years the construction employment in Wisconsin will grow by over 18,000 new jobs to reach 126,000 people employed in the state. In addition 40% or 43,200 of the current construction workforce will retire in the next 10 years meaning we will need to hire and train 61,000 workers in the next 10 years, or 6,100 workers per year. Currently only 1,750 new construction apprentices are entering the workforce each year, leaving us 4,350 people short per year for the next 10 years. *Sources: Dennis Winters, Relevant Economic Analysis Limited. & Terry Ludeman, DWD.*
- Lack of basic skills upgrading, especially for minorities to allow them to compete for jobs in the trades. *Sources: Morris Reed, Labor & Industry Chair NAACP Racine Branch. John Bowles, President Central City Construction.*

Possible Legislative Solutions:

1. Revise the unpassed 1999 Apprenticeship Tax Credit Bill sponsored by Representative Dan Vrakas and Senator Richard Grobschmidt that created an income tax credit for a business that pays wages to an apprentice employed in the Manufacturing and Construction sectors, to the following:
 - Rename it: “The Industrial, Service, & Skilled Trades Apprenticeship Tax Credit”
 - Include apprentices in two to five year programs in all Industrial Manufacturing Crafts, all Non-State Owned/Funded Service Occupations, and only in the following tentative Construction Crafts: Carpenters including Floor Coverers, Millwrights, and Piledrivers; Labors; Ironworkers; and Painters including Tapers.
 - Include a sunset provision that if the current number of employers training apprentices in both the Manufacturing, Service & Construction Targeted Crafts doesn’t increase over 40% in the next three years, the credit is suspended for any new applicants, and when the apprentices that signed up under this bill graduate, then all credits are eliminated.
 - Credit would be equal to 5% of apprentices wages capped at \$1,400.00 per year till the final year of apprenticeship, then credit is 8% of wages capped at \$3,000.00.
 - The credit follows the apprentice if they are transferred to another employer, where each employer will be able to claim up to 5% of the wages paid the apprentice while they were under their employment.
 - The program would be voluntary. For an employer to apply for the tax credit on their state income tax return, the company would have to qualify itself as a State Approved Trade Trainer under the existing DWD Apprenticeship Division rules, and agree to post its company name, address, and the number of journeymen and apprentices employed during the calendar year onto the DWD Apprenticeship Division Website.

- Provide up to a \$500.00 state grant per pre-apprentice to be used at technical colleges or night schools to pay for upgrading academic (GED), and social skill levels of any disadvantaged person. This grant would be available to anyone who fails a state approved standard apprenticeship application test in the covered crafts, but still wants a career in the trades, and who's current annual income is at or below 165% of the federal poverty line. The program could be run through Big-Step, or even the JAC's (Joint Apprenticeship Committees), could provide this basic skills based training.
- Appropriate \$10,000.00 per year for the next three years to the Department of Workforce Development, apprenticeship Division, to post on their public website, only the listing of names and addresses of companies that are state approved trade trainers that wish to participate in the Specialty Trades Tax Credit Trail Program, including the number of journeyman & apprentices indentured to that company, to be used to police the program.
- Appropriate a matching public/private sector grant up to \$150,000.00 per year for the next three years for a marketing budget administrated by the Department of Workforce Development to develop publications on apprenticeship and why employers should use the apprenticeship program, educate high school counselors on careers available in the construction field, and better the image of the construction industry. Funds will be collected by the DWD, and a marketing committee consisting of 4 employer representatives, 4 employee representatives, and two DWD staff will choose how to develop and run the program.
- Appropriate \$125,000.00 per year for the next three years to hire additional DWD staff to promote apprenticeship with schools and employers.

Legislative Recommendation #4

Item #7, Taken From the 59 recommendation suggestions received from the committee members. *Look at ways to tap into the retired workforce. Specifically, one member suggested that there is a problem with public pension and health funds preventing retirees from helping out during peak periods.* Item #57. Taken from the 138 specific recommendations from presenters or the public. *Remove barriers to recalling retired workers, especially state employees who must wait 30 days.* [Lyll]:

Problems:

- Retirees are restricted from reentering the workforce due to taxing of social security benefits, and pension plans.

Possible Legislative Solutions:

1. Change current laws to allow state workers to return to work without 30-day wait period.
2. Look at raising cap levels prohibiting retirees from working more.

3. Forward this topic to the Joint Survey Committee on Retirement System.

Legislative Recommendation #5

Item #47. Taken From the 59 recommendation suggestions received from the committee members. *Increase grants to students not just based on need but also based on their participation in high-need areas such as nursing, tool and dye, etc.* . Item #11. Taken from the 138 specific recommendations from presenters or the public. *Create a public/private partnership to identify, coordinate and publicize the strategies addressing the workforce needs of Wisconsin's tourism industry.* [Charles J. Metelka, White Paper, *The Tourism Sector: Workforce Needs of the Future*]

Problems:

- The State lacks a strategic plan on coordinating training to high demand careers.
- Lack of coordination of K-12 educational offerings, plus matching those offerings to the type of work your surrounding geographical area has. In addition we have to many students on waiting lists due to lack of funding. IE. WTCS has a waiting list of 323 students wanting to take Registered nursing, *Source: Jack Keating, Chancellor UW-Parkside, Dr. John Birkholz President MATC*

Possible Legislative Solutions:

1. Increase funding to high need areas such as nursing where Technical Colleges have waiting lists of students wanting to get into the program, but college's lack funding to provide space.
2. Allow a deduction on your state income tax for educational expenses in areas of high demand.
3. Forward this to the Governors Council on Workforce Excellence.

Legislative Recommendation #6

Item #1, 25, 26, 36, and 53. Taken From the 59 recommendation suggestions received from the committee members. *Stop the brain drain by forgiving a portion of a student's loan if the student stays in Wisconsin after graduation: Reduce the student loan interest rate for post-secondary students that stay in Wisconsin: Offer students from other states a lower interest rate (possibly 25%): Create individual tax credits for recent graduates of both in- and out-of-state colleges:*

Increase financial support for out-of-state students at the UW System schools who remain in Wisconsin after graduation for a specified number of years

Problems:

- Wisconsin ranks last nationally for AIn-migration” or people coming to Wisconsin to work, and ranks 7th in AOut-migration≡ or people leaving the state to work. *John Pawasarat, UW-Milwaukee employment and training institute.*

Possible Legislative Solutions:

1. Decrease the interest rate on student loans of students that stay in Wisconsin after graduation from 7% to 3.5%, or even a sliding scale for each year they stay here.
2. Make the interest paid on student loans for students that stay in Wisconsin, or move to Wisconsin after graduation tax deductible, on their Wisconsin Income Tax, for both instate and outstate graduates.

Legislative Recommendation #7

Item #21. Taken From the 59 recommendation suggestions received from the committee members. *Investigate revising laws that suspend drivers’ licenses because of not paying fines for nondriving penalties, as suggested by John Pawasarat.*

Problems:

- Regulations stumbling over each other. An example is the law that suspends the drivers license of individuals that haven’t paid fines unrelated to driving like; jay walking or loitering, therefore prohibiting their means of obtaining higher paying jobs outside of public transportation areas

Possible Legislative Solutions:

1. Change law so driving privileges are not revoked for non-driving citations, add in ability to garnish wages from employer to recover monies due.

Legislative Recommendation #8

Item #11. Taken From the 59 recommendation suggestions received from the committee members. *Help companies develop diversity strategies. One member suggested that while the Employers Workforce Development Network is doing this on a local level, a subcommittee consisting of educators, business people and government people could design a diversity strategy model to market state-wide.* Item #85. Taken from the 138 specific recommendations from presenters or the public. *Promote greater diversity and cultural awareness. [Think Tank/Gartner]*

Problems:

- Most Private and some Public entities don’t have a formal diversity policy, or follow diversity strategies.

Possible Legislative Solutions:

1. Create a model diversity policy that could be used by the Private & Public Sectors, and/or create partnerships similar to the Employers Workforce Development Network in Green Bay. See attached proposal “*Joint Legis Grant.doc*” for a Grant Request to accomplish this.

Legislative Recommendation #8

EMPLOYERS WORKFORCE DEVELOPMENT NETWORK

Response to grant opportunity from the Wisconsin Joint Legislative Council on Labor Shortage

Executive Summary: EWDN welcomes the opportunity to create a model based on its successful diversity strategies. We have accumulated a great amount of information, procedures, and best practices over the past year, and have made great strides in implementation of these innovations at several companies. The following are steps we plan to take to create and disseminate this model throughout the state of Wisconsin:

- **Further benchmarking with other communities and states** – we have learned so much so quickly because we have been open to thinking outside the box and looking at what’s being done elsewhere. We will continue to compile this type of information and build it into our model.
- **Interactive website creation and maintenance** – we believe that with the pace of business in today’s society, we can accomplish the most by being hooked up to one another electronically. However, this must be done in a very efficient, user-friendly, and productive manner. We need to make sure our web presence does not lag behind the level of activity the private sector demands.
- **Publication of model outline** – professional materials, perhaps a folder or binder, to give a clear outline of the basic steps and implementation procedures for diversity, with data and statistics on how it affects the bottom line in a positive manner as proven by several of our own businesses.
- **Resource materials** – computer program development, video on Bay Towel and some of the other successful companies in our network. This would also include listings of best practices, translation resources, and recommendations on timing and consultants.

One of the most important lessons we’ve learned is that for the private sector to make major strides in diversity strategies, they need to be their own leaders and take charge of the process. However, they need to be connected with the right resources and understand how best to interact with the public and non-profit sector groups in their region. Therefore, the most important component to the success of the EWDN model is to start with the right group of companies, and make the appropriate kinds of connections with the local resources from the beginning. In order to do that, it may be beneficial for a representative from EWDN to travel to a community to give a seminar on how to get started from scratch without damaging the process from the outset. It’s a new and challenging concept for the private sector to lead this process, and it is very easy for others to try to take over the process and force it to work in the old way. We had to fight this from the beginning, and would like to help other communities avoid the same challenges if possible.

To EWDN, diversity is the underlying component of everything we’ve done so far. The following narrative explains how we believe small diversity “band-aid” approaches are less productive than the holistic manner in which we’ve addressed diversity on many levels.

A group of employers (now called the Employers Workforce Development Network, Inc. – or EWDN) began meeting several months ago to have discussions about their common workforce

development needs. It is led by the employers, and brings in the resources of local schools, the technical college, the literacy council, neighborhood associations, minority associations, municipalities, the workforce development board, and the United Way. At this time there are 32 companies and 15 public and non-profit members.

The Network immediately identified that the most pressing common needs revolved around diversity: most specifically language and communication skills. They agreed that diverse workers were very dependable and valuable, with strong work ethics, but that they could not advance and learn higher-level skills until they were able to communicate effectively with team leaders, supervisors, and management. The gap that needed to be filled was to overcome the language barrier and help these employees feel they were a real part of the team. Other common needs identified by the employers are: Lack of computer training (basic PC skills, along with data entry, machine programming, and manufacturing software); GED – General Education Diploma; Basic math; Mentoring/coaching; Teamwork skills and team leader training; Management skills.

All EWDN employers have a desire and commitment to hire, train and advance the unskilled workers to higher levels in their companies, such as skilled and semi-skilled positions, supervisors, managers, and team leaders. They are willing to pay wages of the employees during training, to offer their facilities as training locations, to work with each other on developing innovative programs, and to promote from within when workers learn new skills and abilities.

Outcome Expectations: Outcomes will include **increased recruitment, retention and advancement of minorities and other unskilled workers**. Long-term outcomes include **increased community integration** of non-English speaking individuals in the region; **increased community support and awareness of diversity issues**; and more **successful, growing companies** who have the human resources to accomplish goals in a competitive global economy.

This project will build upon and replicate the diversity model of industry-led employer groups such as the Employers Workforce Development Network – and implement this model in other communities throughout the state of Wisconsin.

Specific employer-based activities

Employers Workforce Development Network programs will be a series of best practices that are explored, recommended and implemented by the involved employers. However, instead of just creating a “best practices” manual, we will offer specific program guidelines and service providers – along with funding assistance that merges dollars from the public, private and non-profit sectors. All companies, and particularly small and mid-size companies, have a hard time identifying their workforce development needs and options. They also have a difficult time absorbing the costs of programs that help retain and advance diverse employees. We intend to work with local organizations to develop cooperative approaches that are holistic, low-cost, long-term and accessible to be implemented in all of our workplaces.

Occupational English as a Second Language

Incumbent worker activities/training will provide the development of on-site, during work hours, English as a Second Language training programs that may involve “circuit rider” training staff from local training providers such as literacy councils and technical colleges as well as lead trainers from businesses. The Employers Workforce Development Network will oversee program development and make recommendations from the business perspective.

A major portion of the project would be a cutting edge tool: the development of industry-specific Occupational English as a Second Language software (with different modules for different occupations) – designed for use in a company’s internal learning center. It would give diverse employees (and potential employees) the feeling that their company, who is willing to assist them to become a more integral part of the team, values them. We will encourage employers to develop specific incentives in response to completing the software training program. EWDN will help design small areas in each member’s company for a PC which will run this English as a Second Language software. The same PCs will also be used for mentors and supervisors to learn basic Spanish or other relevant language.

Because English as a Second Language cannot exist in a vacuum, at the same time the project will be developing parallel retention programs to help the employees become successful. We will develop business-designed models for:

- A better interviewing processes, which will provide the potential employee a company tour from someone who speaks their language.
- An orientation process which will provide an opportunity for the new worker to understand the business and how their job will support the success of the company; provide an introduction to key managers and staff contacts; and extend a welcome to them with the promise of on-going support.
- Buddy systems/mentoring programs which will pair up co-workers to learn about the company and one another. The mentor will help with job-specific training, social aspects of the work environment, and job perspectives from the new employee as well. This two-way learning mentorship would reduce the feeling of dependence and hierarchy often felt by the new employee.
- Diversity training for all levels of non-minority employees to provide a broad base of acceptance.

Computer training: The project will provide an introduction to computers at the same time employees are learning English as a Second Language – utilizing computer basics, data entry and manufacturing specific computer applications (machine programming, etc.) while learning English. This will inspire the incumbent workers opportunity to upgrade from low-skilled jobs to semi-skilled or skilled positions, management/supervisory positions within the company.

E. PERFORMANCE GOALS, MEASURES, AND OUTCOMES

EWDN plans to keep specific data on increased community involvement including profiles of each new group that is started in the state. These employer profiles will include (and not be limited to) the following data: Basic Business information on companies involved, (Contact name, address, phone, fax, email, etc.); size of company; type of business; other data as deemed appropriate.

EWDN will measure performance by meeting goals set at our annual action plan retreat. These goals will be specific to EWDN task forces and shared through the model, described as follows:

- Training – Working on cost-effective and efficient ways to offer on-site, during work hours training for employees while the company pays the wages and training costs. Also working on mentor and supervisory training, cultural training and lifelong learning centers within companies.

- Immigration/Legislation – Looking at the bigger picture of how our area is affected by Local, State and Federal laws and regulations regarding immigration. Educating our employers on the issues involved and helping them to understand ways to try to influence changes.
- Recruitment/Retention – Arming members with knowledge about best practices, recruitment strategies, and retention programs such as newcomer orientations, buddy systems, and ethnic celebrations. Also combining efforts to recruit employees to the area in general by getting the word out about the Brown County region's employers who are committed to offering excellent opportunities in training and advancement to all workers of diverse populations.
- Diversity Strategy – Helping companies who are just beginning in this area to come up with an approach to handle diversity in their own workplace in a way that will work best for them. Individual, customized plans and overall ideas and best practices are shared and implemented.
- Communication/Outreach/Benchmarking – Information dissemination to the community, including new member services, web-site creation, and travel for presentations to (and learning from) other communities.

The effect on participating workers: We discovered in early discussions that the issues relating to recruitment and retention, although they were numerous, were logical in nature. Many of the issues are still challenges because there are groups addressing them one at a time, each in a vacuum. Early on a member of the Hmong Association told the employers that it is difficult for people to obtain training on their own – English as a Second Language cannot exist by itself! Low-income, unskilled populations often have to work two jobs in order to maintain a basic existence, which leaves no time to go out to the community college to take classes – even if the government is giving them free classes. They have family care responsibilities, transportation issues, and a lack of organizational capacity or planning skills. The community college had always offered classes at their campus. They were, in fact, starting to develop neighborhood centers, which is a good start. However, even neighborhood centers do not solve the problems of the individuals not knowing about classes, knowing how to access them, knowing how to get funding assistance, or finding child care or transportation.

The effect of reduced shortages: companies need to become global competitors by embracing and taking advantage of diversity. If we do not integrate this population, it will be a huge loss in productivity, expansion ability, and future innovation, creativity and success for our local companies.

F. STAFFING AND ORGANIZATION

Executive Director 60%

The Executive Director will convene the employer group, the task forces, and help the business to recognize and articulate their needs in order to come up with solutions for those needs. The Executive Director will then be a bridge between the private network and the public sector and community, allowing for better cooperation and communication in order to address the shared goals of employee and employer success. It will be the Executive Director who will do most of the travel and working with other communities across the state to help implement similar models. Volunteer task force members from the private sector members will also be involved when time and funds permit.

Program Manager 100%

The Program Manager will handle grant administration, data gathering and processing, and financial reporting. He/she will also work on follow-up and communications with Employers Workforce Development Network members and the public sector.

Secretary 50%

The secretary position will be flexible and part-time in order to have a better chance at attracting applicants. This position will handle day-to-day functions of phone calls, faxes, copying, mailings, word-processing, meeting scheduling and record keeping.

PART II - BUDGET INFORMATION

Project Period: May 2001 - May 2003

1st 12 mo. 2nd 12 mo.

1. Personnel		
Executive Director (60%) \$30,000	68,000	70,720
Program Manager (100%) \$28,000		
Part-time Secretary (50%)\$10,000		
2. Fringe Benefits (Rate 35%)	23,800	24,572
3. Travel (Year 1 benchmarking Year 2 model delivery)	3,000	6,000
4. Equipment		
5. Supplies		
Two PC's @ 2,000 ea. = 4,000	11,500	3,000
Fax 500		
Copier 2,000		
Furniture 2,000		
Misc. Supplies 3,000		
6. Contractual		
Interactive Website Development/Maintenance	10,000	3,000
7. Other		
Printing costs	5,000	5,000
8. Total, Direct Cost	121,300	112,292
9. Indirect Cost (Rate %)		
10. Training Cost/Stipends		
11. TOTAL Funds Requested (Lines 8 through 10)	121,300	112,292
TOTAL PROJECT PERIOD FUNDS REQUESTED:	233,592	
SECTION B - Cost Sharing/Match Summary		
Cash Contribution (EWDN Member Dues \$1000 x 45 ea)	45,000	

<i>In-Kind Contribution</i>		
<i>Wages: 20 pp @ each co. x \$8/hr avg wage x 35 hours training = \$196,000</i>	<i>196,000</i>	
<i>Facilities: \$50/room x 3 classes/year x 35 companies = \$5,250</i>	<i>5,250</i>	
<i>TOTAL Cost Sharing/Match</i>	<i>246,250</i>	

PUBLIC SECTOR SUBCOMMITTEE
FEBRUARY 12, 2001

SPECIAL COMMITTEE ON LABOR SHORTAGE

Co-chairs
Senator Gary George
Representative Jean Hundertmark

Purpose: To identify public sector actions that will ensure an adequate and appropriately trained workforce for the present and future.

LEGISLATIVE PROPOSALS

1. LABOR DAY REPORT

Require the Department of Workforce Development (DWD) to prepare an annual “LABOR DAY REPORT ON THE STATE OF LABOR.”

The report will:

- Identify critical labor shortage areas by occupation, Workforce Development Board region, gender, race and unemployment statistics.
- Identify potential solutions to address labor shortage issues and concerns in Wisconsin.
- Be released by Senator George and representative Hundertmark, Special Committee on Labor Shortage Co-Chairs.
- Be disseminated to the Legislature, all local Workforce Development Boards, the Governor’s Council on Workforce Development and other interested parties.

Additional funding for staff to produce this report will be required by DWD.

1. Better Utilization of all Potential and Current Workers in Wisconsin

- **Unemployed** - Unemployed claimants profiled to exhaust their Unemployment Insurance benefits will be served through DWD Job Centers with intense reemployment services. This is currently being done by DWD, but additional

funds would allow the department to serve more unemployed individuals to secure replacement wage employment and reduce the duration of being unemployed.

REQUEST: \$500,000 to be distributed to Workforce Development Boards to allocate to Job Centers for these services.

- **Minorities** – Establish an Affirmative Action grant program that would support new or existing programs such as the Kenosha Economic Inclusion Coalition. Workforce Development Boards to distribute grants, determine success indicators, evaluate results and report on effectiveness to DWD for inclusion in annual Labor Day report.

REQUEST: \$500,000 distributed by DWD to the Workforce Development Boards to award on a competitive basis. There will be two grant cycles per year, \$250,000 each.

- **Corrections Consumers & Ex-offenders Programs**

- **Transportation:** Provide transportation loans to unemployed drivers whose licenses have been suspended for non-payment of fines or civil forfeitures. The loans are contingent upon certification that the individual has become employed and will repay the loan through payroll reduction. The unpaid amount of the fines and forfeitures will be re-instated if the person becomes unemployed.
- **Recidivism Reduction Initiative** – seek recommendations from the DWD & Department of Corrections Interdepartmental Task Force regarding recidivism reduction and work readiness efforts for offenders close to their release date and ex-offenders.
- **Truth in Sentencing Alternatives:**
 - “OJT/work farms”
 - Reduced sentence for assessment in and advancement in reading skills, math skills and GED acquisition and other desired behavior modification with points awarded for each level accomplished counting toward reduced sentence.
 - Mandatory Alcohol and Other Drug Abuse (AODA) treatment programs with point accumulation.
- **Employer Tax Credit for Hiring Ex-Offenders & Mentor Program** - \$1,200 tax credit per ex-offender annualized for time on the job with a maximum of one year.

(NOTE: DWD currently administers the Work Opportunity Tax Credit program that provides federal income tax credits directly to businesses that hire

eligible individuals from nine designated target groups including ex-felons and others.

Further information on the program is attached and is available at: <http://www.dwd.state.wi.us/desw2/emptaxcd.htm>.

- **Incentives for Non-Profit Organizations** – \$1,200 tax credit per ex-offender annualized for time on the job maximum one year, for organizations that job place ex-offenders, counsel and mentor ex-offenders, such as The Skilled Trade Collaborative, Racine Kenosha Economic Inclusion Coalition, etc.
- **Older workers** – Milwaukee county retention model – now non-represented employees of the county that are retiring are offered a % for every year they stay beyond their retirement age up to 3 years and 3 months. Stay 3 years and 3 months they get an additional 25% added on to their monthly retirement benefit. Do the same for our state workers.
- **Retention strategies**
 - College loan forgiveness – Provide education reimbursement for students who complete a college program (tech or 4 year) at a Wisconsin college, in a DWD/LMI identified high demand occupation and who work in state. A % of tuition will be reimbursed per year of Wisconsin residence: 10%, 15%, 20%, 25% 30% for one, two, three, four, five years of residency respectively with a maximum family benefit of \$40,000.
 - Actively recruit military personnel before their release to locate in Wisconsin after retirement.
 - Representative Gard's bill – eliminate tax on veteran's pensions.
 - Phase in:
 1. Elimination of tax on military pay for Wisconsin residents not currently residing in the State of Wisconsin.
 2. Elimination of social security tax and pension.
- **Recruitment Strategies – direct DWD to:**
 1. Promote recruitment of persons in areas of high unemployment to areas needing workers, i.e. Milwaukee to Wisconsin Dells and Door County.

2. Develop recruitment trips to major military bases for recruitment of soon to be released military personnel, recruit in the U.S. and in other countries.
3. Develop relationships with recruitment companies and Wisconsin businesses to refer people who want to locate in Wisconsin and work in concert with and promote private companies.

3. Other Recommendations

- **Apprenticeship:**

- Support the Apprenticeship Tax Credit legislation being sponsored by Representative Vrakas and Senator Grobschmidt. Specifically, seek legislation that addresses the following:
 1. Tax credits to employers that sponsor youth apprentices and/or adult apprentices.
 2. Provide funding to DWD to for additional staff to develop additional marketing materials to recruit and inform employers about the benefits of apprenticeship.
 3. Provide a mechanism to administer and monitor the apprenticeship tax credit program.
- Modify or change s. 106.13 to change the name Youth Apprenticeship to School to Career.
- Require the development of work-based learning programs and School to Career programs in the same occupational areas using the same curriculum as those programs under s. 106.01 to 106.03.

(NOTE: Youth Apprenticeship programs are administered by the Governor's Work-Based Learning Board, not DWD.)

- **Youth Career Counseling:** Provide \$220,000 for career counseling grants.
- **Non duplication of programs and services:** Identify a single entity as the structure to coordinate and deliver services to job seekers and workers:
 - To assure that multiple agencies are not performing the same functions unless it is beneficial to the participants.
 - Money should travel with the people and where they go for services -not be distributed to the organization.

- Collaboration of partner agencies. Services regionally delivered to meet local needs.
- **Childcare Facilities:** Support two bills, 1. George & Roessler, 2. Hoven, Plale, Jeskewitz providing tax credits for Childcare facilities and breast feeding facilities.
- **Worker Training:** Support Jensen/Moore bill.
- **Worker Training:** Provide tax credits to employers for employee training. Employers to receive 50% of training cost for high demand occupations as identified by LMI in Workforce Development Areas, maximum of \$2,500 per employee contingent upon the following:
 - Training for an employee is above last year's training cost.
 - Employees are paid at least \$8.00/hr.
 - Employee contracts to work 180 days after training or pay for training cost.
 - Employee will be paid 30% higher wages after training.
 - Employee receives health care benefits or the equivalent.
 - Diversity training for supervisors is provided.
- **Employment Skills Advancement Program (ESAP):** Incorporate the changes proposed in the Governor's 2001-03 biennial budget:
 - Increase the maximum lifetime grant amount from \$500 to \$1,000.
 - Reduce the required contribution from 100% to 50% of the amount of the grant.
 - Increase the income eligibility limit from 165% to 185% of poverty.

Also, provide a tax credit for any employer that provides the required match for an employee to receive an ESAP grant from DWD. The tax credit would be equivalent to 50% of the match amount. Employers would be eligible for a tax credit of 50% of the match amount for **each** employee that they provide match for – unlimited.

Conclusion

These “public sector committee recommendations” are intended to be a working, living document. Improvements and suggestions are welcome.

Send comments or suggestions to Dick Gartner at gartnri@dwd.state.wi.us.

Recommendations of the Education Discussion Group

The six problem areas defined by the Education sub-committee:

1. Brain drain—keeping our graduates in the state
2. Decline in the number of people entering the workforce
3. Mismatched skills and location of workers relative to jobs
4. Need for career planning for high school graduates
5. Attracting college graduates from other states
6. Business development in the “right” geographic areas: Here we discussed the infrastructure issues that need to be addressed such as technology, venture capital, research and development and technology transfer centers

1. Suggestions to reduce the brain drain:

- a. Create a “Work-in-Wisconsin” marketing program to be coordinated by Forward Wisconsin/UW-System/VTAE/Wisconsin Department of Commerce/Wisconsin Manufacturers and Commerce/Workforce Development Boards, etc.
- b. Offer tax credits to businesses that offer tuition remission for undergraduate and graduate programs at Wisconsin schools, and provide additional tax incentives for businesses that invest in additional workforce preparation of their employees including registered apprenticeship programs.

2. Suggestions to deal with the issue of declining entrants into the workforce:

- a. Make administrative changes to facilitate easier access to apprenticeship programs. This could include employer incentives for taking on apprenticeships.
- b. Grant programs to build on access to youth apprenticeship programs for minorities and women, including recruitment of middle and high school youth, pre-apprenticeship training and education mentoring and support services for apprentices and their employers. Such grant programs should give priority to community organizations such as the Skilled Trades Collaborative and the Inclusion Coalition.
- c. Enhance training/career opportunities through existing W-2 programs and agencies to provide career paths for those who are new to the workforce (perhaps after six months on the job with satisfactory performance) and are

working for very low wages. An example is the award winning Career Passport Program in Eau Claire. These training opportunities should provide incremental training to help those earning below family sustaining wages so they can move into incrementally higher earning jobs without penalty in loss of health care, transportation and/or childcare (phase out of these services should be defined with higher income limits than presently).

- d. Provide for combination “Work/OJT” alternatives to incarceration for non-violent offenders, and add these incentive programs to the Truth in Sentencing legislation that is still being formulated
 - e. Provide for drug and alcohol abuse treatment programs as alternatives to incarceration for non-violent offenders with these addictions.
 - f. Ease the Wisconsin tax burden on lower income earners and provide tax credit programs to offset costs of approved work related training
3. Suggestions to better coordinate location and skills to available jobs
- a. Provide tax credits to employers locating businesses in inner-city locations
 - b. Provide tax credits for these same employers who move to the inner cities and provide for day care facilities and employee transportation programs
 - c. Provide tax credits to all employers who provide day care facilities and transportation for employees
 - d. Earmark venture capital to economically depressed communities of all sizes
4. Need for earlier and more intensive career planning for middle school and high school students
- a. Support creation of the 2+2+2+2 programs to encourage early planning for vocations . This could include changes in licensure to allow shared faculty, or increased flexibility in the use of funds to allow cost sharing or staffing locally to support such initiatives
 - b. Require the PK-16 committee to report to the Education Committee regarding plans and performance goals to allow for greater freedom of student movement among educational institutions. Report to the legislature within 1 year on progress made in implementing the plans and achieving goals established.
 - c. Support creative approaches to close the achievement gap and provide alternatives for young people to attain the academic under-pinnings to be able to fulfill their career goals. Guidance and information are essential but not sufficient. The Workforce Development Centers, in cooperation with K-12 and CESA’s, should be close partners in any guidance and planning initiatives.

Expand Workforce Development Board membership to include a school superintendent or school board chairperson.

5. Need to attract college graduates from other states.
 - a. Improve the personal state income tax climate to get Wisconsin out of the top five taxed states in the country
 - b. Concentrate promotional campaigns in states with similar environmental and atmospheric climates (Dakota's, Minnesota, etc.)
6. Business Development initiatives
 - a. Support the airport hub property tax incentive
 - b. Support technology development zones throughout the state and the technical college/university technology development center initiatives currently underway.
 - c. Support single sales factor approach to apportion corporate taxes
 - d. Support the entire University of Wisconsin System's efforts for economic development to prepare more students for high tech jobs. UW-Madison and UW-Milwaukee Idea programs are in the Governor's budget, but requests from other campuses should also be included in the budget
 - e. Support training and work programs in neighborhood locations where potential employees live
 - f. Provide additional funding for the Technical College System to prepare workers for high-skill-high-wage-high demand jobs and career ladder.

**Memo No. 1, Listing of All Specific Recommendations
Received by the Committee**

TO: MEMBERS OF THE SPECIAL COMMITTEE ON LABOR SHORTAGE

FROM: Robert J. Conlin, Senior Staff Attorney; and Nicholas Zavos, Staff Attorney

RE: Listing of All Specific Recommendations Received by the Committee

DATE: March 5, 2001

Pursuant to the direction of the Cochairs, we have attempted to summarize all specific recommendations submitted to the committee by invited speakers or members of the public and all written recommendations submitted by committee members on the recommendation forms distributed at each meeting. In the section that follows, the presenter, entity or member of the public who made the recommendation is identified in brackets after each recommendation.

**SPECIFIC RECOMMENDATIONS FROM PRESENTERS OR THE
PUBLIC**

1. Better utilize existing pools of unused workers, especially those concentrated in urban areas and persons with disabilities. [Terry Ludeman, DWD]
2. Renew investment in inner city areas by making educational or human resource investments and real estate investments and making those areas more livable and more attractive. [Ludeman]
3. Encourage in-migration to the state. [Ludeman]
4. Fill the \$3 billion investment hole by targeting federal moneys, high-tech research and development moneys and venture capital moneys. [Dennis Winters]
5. Increase college enrollment so as to “grow our own.” [Winters]
6. Provide incentives for workers of the “new economy” such as forgivable loans to those participating in new economy training. [Winters]
7. Establish entrepreneur enterprise zones by providing incentives for new economy jobs in identified areas of the state. [Winters]
8. Install the new economy infrastructure by providing incentives for companies to wire workers’ homes for new economy technology. [Winters]

9. Focus recruitment efforts on central city residents who are already working and who are looking for better employment opportunities. [John Pawasarat, UW-Milwaukee]
10. Eliminate Department of Transportation (DOT) practices which allow municipalities to suspend driver's licenses for nonpayment of fines and civil forfeitures. [Pawasarat]
11. Create a public/private partnership to identify, coordinate and publicize the strategies addressing the workforce needs of Wisconsin's tourism industry. [Charles J. Metelka, White Paper, The Tourism Sector: Workforce Needs of the Future]
12. Facilitate substantial partnerships between tourism entities and educational institutions in the form of school-to-work programs and credit for experience in apprenticeship programs. [Metelka]
13. Develop a world class "2+2+2" tourism educational program which reflects the needs of the students, the educational institutions and the employers involved in the process. [Metelka]
14. Permit and facilitate the establishment of substantial school/business partnerships which create long-term, multi-career "living laboratories" for our youth. [Metelka]
15. Develop a tourism apprenticeship program for older adults who would combine their current tourism employment with credit for past experience and accessible educational course work leading to a degree. [Metelka]
16. Develop and fund a coordinated team of community economic development and tourism specialists to assist Wisconsin communities and counties in identifying a sustainable mix of business to alleviate relatively high rates of unemployment and underemployment. [Metelka]
17. Establish a public/private relationship to invite and to assist new immigrants to Wisconsin in becoming productive citizens of the state. [Metelka]
18. Initiate ongoing methods to inform our youth and all citizens as to the impact of business development, including tourism. [Metelka]
19. Develop reliable techniques of economic measurement for Wisconsin's tourism industry by adopting uniform public and private sector data reporting techniques. [Metelka]
20. Foster partnerships at every level between educational, institutional and governmental services and businesses, utilizing the latest distance learning technology. [Metelka]
21. Make private post-secondary schools (Educational Approval Board (EAB)-approved schools) part of the strategy to meet labor force shortages by providing business tax credits for employees enhancing their skills at these schools, including EAB-approved schools and state economic and workforce development initiatives, promoting their

involvement in the Workforce Investment Act and making them a key part of any state high-tech economic strategy. [Joe Davis, EAB]

22. Open access for all state residents to state financial aids, including those enrolled in EAB-approved schools by creating a dedicated fund in the Wisconsin higher education grant system and by using private computer schools to pilot a high-tech retooling initiative. [Davis]
23. Establish a post-secondary education commission to serve as a forum for coordinating educational policy and to integrate and consolidate post-secondary education support agencies. [Davis]
24. Create a PK-16 council to coordinate educational initiatives, facilitate seamless educational opportunities, and increase diversity and post-secondary enrollments. [UW Economic Summit]
25. Double the number of computer science, management information systems, information technology, engineering and biotechnology students graduating from the UW System, Wisconsin Technical College System, and independent Wisconsin colleges and universities. [Economic Summit]
26. Mount a campaign to attract nonresident alumni back to challenging opportunities in Wisconsin. [Economic Summit]
27. Provide Wisconsin students, workers and employers with a seamless system for life-long learning. [Governor's Task Force on Technical Education (Task Force)]
28. Implement and expand technical education in school-to-work initiatives for the future workforce. [Task Force]
29. Implement and expand workforce development and training initiatives for the current workforce. [Task Force]
30. Raise the visibility, understanding and appreciation of technical occupations through an on-going comprehensive marketing program designed to inform students and parents of the value of technical education and technical careers, particularly those in high demand. [Task Force]
31. Reallocate surplus welfare-to-work funds to upgrade the skills of entry-level workers for better employment and advancement opportunities. [Wisconsin Regional Training Partnership]
32. Eliminate the eligibility requirements that prevent many workers who would like to upgrade their skills from qualifying for state and federal resources. [Wisconsin Regional Training Partnership]

33. Set aside state and federal funds for the Secretary of Workforce Development to support projects and partnerships and expand local service delivery areas. [Wisconsin Regional Training Partnership]
34. Provide tax credits or other incentives for employers to invest in the revival of apprenticeship programs in the manufacturing and service sectors. [Wisconsin Regional Training Partnership]
35. Renew support for local youth initiatives that incorporate all types of meaningful workplace-based learning and mentoring opportunities. [Wisconsin Regional Training Partnership]
36. Set higher benchmarks for workforce development agencies to ensure that more resources are allocated to high-skill shortage occupations. [Wisconsin Regional Training Partnership]
37. Establish minimum standards for workforce development agencies to ensure that more resources are actually spent on training programs. [Wisconsin Regional Training Partnership]
38. Require workforce development agencies in the same region to adopt consistent policies and procedures for administering programs. [Wisconsin Regional Training Partnership]
39. Enable local agencies to provide incentives for low-skill workers to enroll in full-time training programs that are linked to actual job offers. [Wisconsin Regional Training Partnership]
40. Ensure reliable and affordable child care and transportation for workers to obtain training, job search assistance and family supporting jobs. [Wisconsin Regional Training Partnership]
41. Provide additional funding for technical education at the secondary and post-secondary level. [AFL-CIO]
42. Implement the workforce development policy recommendations of the Wisconsin Regional Training Partnership. [AFL-CIO]
43. Support a strong partnership between business, labor, education and government that supports a wide range of local youth initiatives, and develop a discretionary fund for partnerships between business, labor, and education to market the technical careers to youth and expand work-based opportunities for them. [AFL-CIO]
44. Directly fund the Wisconsin Regional Training Partnership. [AFL-CIO]
45. Explore ways to recruit highly skilled workers from beyond the national borders. [DWD/Reinert]

46. Explore options to keep Wisconsinites from leaving the state. [DWD/Reinert]
47. Further efforts to encourage those leaving military service to come back to their roots in Wisconsin. [DWD/Reinert]
48. Develop strategies to encourage university and technical college system graduates to stay in the state. [DWD/Reinert]
49. Develop ways to address the spatial mismatch of jobs and workers. [DWD/Reinert]
50. Develop ways to more fully utilize the underutilized workforce. [DWD/Reinert]
51. Recommend adoption of the Wisconsin Technical College System budget requests. [Birkholz]
52. Increase the number of college graduates in the state. [Rolf Wegenke, Wisconsin Association of Independent Colleges and Universities]
53. Increase funding for the existing need-based financial aid programs (UW-WHEG, WTCS-WHEG and WTG). [Wegenke]
54. Endorse a state policy of steady, predictable, multi-biennial investment in increasing the number of college graduates such as that outlined in the UW, WTCS and DPI budget proposals. [President Katherine C. Lyall, UW System]
55. Make college accessible through financial aid by ensuring that WHEG funding rises at the same rate as tuition increases and endorsing an employer tax credit for 50% of costs of education/training expenditures for Wisconsin workers modeled after the Jensen/Moore bill (1999 Assembly Bill 244). [Lyall]
56. Recommend that business tax credits already on the books be reviewed and focused on firms that add high income jobs or upgrade their existing job mix to add jobs that pay more than the current state average income of \$24,500 per year. [Lyall]
57. Remove barriers to recalling retired workers, especially state employees who must wait 30 days. [Lyall]
58. Create more access to venture capital for state business development, and explore more investment in venture capital for state pension holdings. [Lyall]
59. Invest in targeted campaigns to attract workers to Wisconsin, including supporting UW System efforts to attract alumni back to Wisconsin to join the state workforce. [Lyall]
60. Support programs that bring more federal dollars back to Wisconsin including UW research. [Lyall]

61. Provide flexibility for the UW and other state agencies to create positions with existing funding and thereby remove an obstacle to creating high-skilled jobs. [Lyll]
62. Recommend a statewide business internship program for high school and college students that lets employers take a state tax credit for wages. [Lyll]
63. Expand Wisconsin's workforce by better preparing minority and disadvantaged students through expanded college awareness campaigns, expanded precollege programs and expanded Lawton and AOP funding. [Lyll]
64. Support the proposed education tax credit as sponsored by Speaker Jensen and Senator Moore last session which would provide employers a credit equal to 50% of tuition paid at any Wisconsin college, university or technical college, and under which tuition can be paid for current or prospective employees, and under which such credit would rise to 75% of tuition paid for individuals at or below 185% of the poverty level. [Wegenke]
65. Partner to identify, coordinate and publicize strategies regarding the workforce needs, but at the same time talk about the quality of life and the virtues of working in an industry like tourism in a state like Wisconsin. [Sarah Klavas, Department of Tourism]
66. Establish a public/private initiative to welcome and assist immigrants, including students to be productive citizens of the state. [Klavas]
67. Educate the career counselors. [Klavas]
68. Facilitate substantial partnerships between tourism entities and educational institutions in the form of school-to-work programs and credit for experience in apprenticeship programs. [Klavas]
69. Develop a world class "2+2+2" tourism educational program that reflects the needs of the students, the educational institutions and the employers. [Klavas]
70. Permit and facilitate the establishment of substantial school/business partnerships. [Klavas]
71. Develop a tourism apprenticeship program for older adults who would combine their current tourism employment with credit for past experience and accessible educational course work leading to a degree. [Klavas]
72. Develop and fund a coordinated team of community economic development and tourism specialists to assist Wisconsin communities and counties in identifying a sustainable mix of business to alleviate relatively high rates of unemployment and underemployment. [Klavas]
73. Provide more personal incentives for individuals to prepare for better paying and higher skilled occupations such as financial incentives to obtain high-tech

certifications, reduced cost child care and/or preschool, lower tax base, student financial and academic credit for work, scholarships in high demand technical areas, increase school retention incentives, academic credit for military service, students able to use grants at all accredited proprietary schools, and provide the technology tools for all students. [Think Tank for the Governor's Initiative for Building Tomorrow's Workforce/Dr. Gartner]

74. Develop partnerships between workforce stakeholders and empower an organizational structure to do process reengineering. [Think Tank/Gartner]
75. Provide organizational incentives to high-wage paying employers such as tax credits to employers for tuition reimbursement, tax credits for state-approved apprenticeship, lower tax base. [Think Tank/Gartner]
76. Set aside state funds for tax incentives specifically targeted for local incumbent worker training. [Think Tank/Gartner]
77. Establish a cooperative state policy with private industry to encourage technology business development. [Think Tank/Gartner]
78. Public policy, legislation and funding efforts should be committed to addressing labor shortage issues such as making employment and training a priority under the Workforce Investment Act, providing tax credits to employers and individuals to invest in education, training and skill upgrading, and creating more proportionate distribution of funding among all education systems. [Think Tank/Gartner]
79. Develop effective systems, policies, marketing and communication to increase the value of all career options, among parents, students, employers, counselors, teachers, etc. [Think Tank/Gartner]
80. Revamp the traditional educational structure to develop processes and economic incentives to ensure more "K-life" career opportunities. [Think Tank/Gartner]
81. Integrate critical life skills and knowledge with technical job skills and knowledge so students will have as many career options as possible. [Think Tank/Gartner]
82. Expand the youth apprenticeship program by a factor of 10. [Think Tank/Gartner]
83. Increase incentive programs to attract and retain recent graduates and new students to Wisconsin, e.g., tax incentives, college loan forgiveness, out-of-state tuition reduction with a four-year post-graduate commitment, reciprocity between out-of-state schools. [Think Tank/Gartner]
84. Improve and expand cooperation between public and private employment offices, businesses, and agencies with college placement offices. [Think Tank/Gartner]
85. Promote greater diversity and cultural awareness. [Think Tank/Gartner]

86. Increase programs and incentives to increase the stock of affordable housing to improve workforce retention and mobility. [Think Tank/Gartner]
87. Develop more initiatives to tap into underutilized labor pool resources, such as the correctional population, immigrants and migrants, disabled, vets, minorities, retirees, and workers with child care issues. [Think Tank/Gartner]
88. Expand Wisconsin's workforce by increasing the minority and immigrant populations in the state. [Think Tank/Gartner]
89. Improve the quality of school-to-work programs. [Think Tank/Gartner]
90. Encourage Wisconsin's college graduates who may be working in other states to return to Wisconsin to work and raise their families. [Think Tank/Gartner]
91. Do more to promote the concept of life-long learning. [Think Tank/Gartner]
92. Promote more private/public partnerships to drive systematic change. [Think Tank/Gartner]
93. Create a variety of incentives for employers and employees to seek training and retraining opportunities. [Think Tank/Gartner]
94. Increased training participation, opportunity and access through technology and more flexible delivery methods. [Think Tank/Gartner]
95. Evaluate existing programs and where efficiencies and disincentives exist, develop and create innovative programs to assess, train, and employ everyone who is not fully participating in the workforce. [Think Tank/Gartner]
96. Ensure the availability of quality and affordable dependent care for all shifts. [Think Tank/Gartner]
97. Remove government constraints that act as barriers to workforce entry by groups not currently in the workforce or which may be underutilized in the workforce. [Think Tank/Gartner]
98. Lobby federal government to increase funding for the Division of Vocational Rehabilitation. [Think Tank/Gartner]
99. Employer should make businesses more attractive but by providing greater access to fringe benefits, increase wages for full- and part-time employees, and expanding telecommuting options. [Think Tank/Gartner]
100. Provide more information and earlier information to young people on career development options. [Think Tank/Gartner]

101. Mount a statewide marketing campaign to promote a wider variety of career options for young people. [Think Tank/Gartner]
102. Provide more work-based learning options. [Think Tank/Gartner]
103. Expand the educational concept of “2+2+2.” [Think Tank/Gartner]
104. Use technology to expand technical training and opportunities. [Think Tank/Gartner]
105. Continue business development in the central city. [Julia Taylor, YW Works]
106. Continue funding through WAA, DOT and other initiatives for participant transportation and child care transportation. [Taylor]
107. Involve employers in the entire process to determine the standard skills necessary for the jobs, creatively develop training that meets the deficit of the unemployed and the commitment of the employer to then hire those individuals. [Taylor]
108. Funds need to be available to all low-income individuals, not just TANF eligible. [Taylor]
109. Provide more apprenticeship outreach to employers. [Karen Morgan, DWD]
110. Provide employer incentives for participation in the apprenticeship program. [Morgan]
111. Develop marketing materials for the apprenticeship program. [Morgan]
112. Provide outreach staff to the Apprenticeship Bureau to do outreach to employers. [Morgan]
113. Develop additional job opportunities in the central cities. [Milwaukee W-2 Agencies]
114. Continue Workforce Advancement Act and Wisconsin Employment Transportation Assistance program funding for worker and child transportation and support additional personal transportation for entry level workers. [Milwaukee W-2 Agencies]
115. Involve employers to a greater extent in implementing skill development. [Milwaukee W-2 Agencies]
116. Provide all of the Workforce Advancement Act funds statewide to W-2 agencies. [Milwaukee W-2 Agencies]
117. Provide stipends to Food Stamp Employment and Training participants for short-term training. [Milwaukee W-2 Agencies]

118. Develop more flexible and mobile skill development programs. [Milwaukee W-2 Agencies]
119. Provide maximum state flexibility in providing match for programs. [Milwaukee W-2 Agencies]
120. Wisconsin must lower its tax burden, both in absolute terms and relative terms in order to attract the workers vital to the state's future economic health. [Winters, Strang, and Klus, Wisconsin's Economy in the Year 2010]
121. The state should increase its share of federal money returning to the state. [Winters, Strang, and Klus]
122. Wisconsin should take the initiative to promote the state as a "good deal" in terms of taxes versus services rendered. [Winters, Strang, and Klus]
123. Aggressively attract and train immigrants for manufacturing and skilled occupations. [Winters, Strang and Klus]
124. Build high technology industries and incorporate high technology into the manufacturing, trade and service sectors to maintain their competitiveness. [Winters, Strang, and Klus]
125. Maintain Wisconsin's quality of life. [Winters, Strang, and Klus]
126. Employers need to develop creative organizational strategies to encourage older workers to work part-time to bring their skills and experience to the work place. [Winters, Strang, and Klus]
127. Improve job quality in the state by strengthening the minimum wage and unions, supporting education and training initiatives, improving business accountability, and increasing employee ownership in the state. [Center on Wisconsin Strategy]
128. Support working families in Wisconsin by expanding the earned income tax credit, supporting quality child care and accessible health care and making the state's taxes more progressive. [Center on Wisconsin Strategy]
129. Reduce racial disparity by focusing on education and training to develop a system of funding primary education to ensure constitutional adequacy and modify the system of revenue caps that limits the ability of local educators to repair facilities, retain teachers and improve educational programs, and prepare noncollege bound high school students for the transition from school to work. [Center on Wisconsin Strategy]
130. Rebuild the state's metropolitan areas and discourage statewide "sprawl." [Center on Wisconsin Strategy]
131. Look to immigration for additional labor. [Wisconsin Taxpayers Alliance (WTA)]

132. Expand recruitment to areas of the country and the state where unemployment rates are relatively high. [WTA]
133. Increase the skill levels and productivity of the existing workforce. [WTA]
134. Provide a tax credit for information technology training similar to the one proposed by 1999 Assembly Bill 844. [Rep. Schneider]
135. Improve the accessibility of the educational system so that it is more accessible to adults. [Laura Dresser]
136. Guarantee access to UW to every technical school student with a “B” average. [Brenda Blanchard, Department of Commerce]
137. Make efforts to recruit workers from big cities such as San Francisco who are eager to move away from the high prices and traffic. [Dean Amhaus, Forward Wisconsin]
138. Examine government regulations with an eye toward eliminating those regulations that create barriers to business. [Bill Smith, National Federation of Independent Businesses]

RECOMMENDATIONS FROM COMMITTEE MEMBERS

1. Stop the brain drain by forgiving a portion of a student’s loan if the student stays in Wisconsin after graduation.
2. Form a partnership between businesses and colleges to provide summer internships to college students so that students get hooked up with a Wisconsin business before “out-of-state raiders get a hold of them.”
3. Educate high school and technical college graduates on their career options in an effort to promote higher paying jobs.
4. Convert the state lottery credit to a “Hope Fund” modeled after Georgia’s. In Georgia the fund uses the money to help pay college tuition for any resident who maintains a “B” average.
5. Pool the resources of different organizations that have their own programs into a larger effort.
6. Examine ways to entice employers into using the apprenticeship program.
7. Look at ways to tap into the retired workforce. Specifically, one member suggested that there is a problem with private pension and health funds preventing retirees from helping out during peak periods (for example, in the construction industry during the summer).

8. Keep close contact with high school students going on to college by, for example, following Michigan's example where the Governor sends a letter to each college graduate asking that the student remain in the state to work and live.
9. Create more flexible funding streams to assist employers and public agencies in funding workplace training models.
10. Combine the workforce development efforts (including funding) of the Department of Commerce, Department of Workforce Development, and other relevant state agencies.
11. Help companies develop diversity strategies. One member suggested that while the Employers Workforce Development Network is doing this on a local level, a subcommittee consisting of educators, business people and government people could design a diversity strategy model to market state-wide.
12. Provide incentives to employers who take a proactive stance toward workforce development. For example, reward those companies that have aggressive training programs, tuition reimbursement, or diversity strategies.
13. Develop incentives for companies to install developing technologies. Such technologies will reduce the number of workers needed, and create demand for employees with different skills.
14. Incorporate nontraditional workers, such as those who are physically or mentally handicapped, or are just learning English, through a partnership with public agencies.
15. Increase the flexibility of educational institutions in addressing the needs of nontraditional students, i.e. night and weekend courses, long-distance education, flexible scheduling, taking the classroom to the community, and developing associate degree to baccalaureate bridge programs.
16. Create a greater corporate responsibility to provide healthcare.
17. Increase the respect for healthcare workers by providing higher wages, more input into patient care, and greater access to educational and career enhancement opportunities.
18. Split the educational pathway for registered nurses into two separate pathways: one aimed at administrative expertise, the other aimed at clinical skill.
19. Increase the wage for healthcare workers with the aim of both attracting people to enter the healthcare industry, and encouraging middle-aged workers to work longer.
20. Develop a marketing plan for Wisconsin to be housed in the Department of Commerce.
21. Investigate revising laws that suspend drivers' licenses because of not paying fines for nondriving penalties, as suggested by John Pawasarat.

22. Establish a fund for low-cost loans for people in urban areas to obtain cars with a simple paycheck deduction through the employer.
23. Establish a “worker attraction program” to improve Wisconsin’s poor ranking in getting workers to move to Wisconsin.
24. Develop ways to encourage businesses to locate in areas with high un- and underemployment rates in order to bring jobs to where a large number of workers are (e.g., Allen Edmonds Shoe Company).
25. Reduce the student loan interest rate for post-secondary students that stay in Wisconsin.
26. Offer students from other states a lower interest rate (possibly 25%).
27. Form consortia of businesses in a geographic region to establish and train pools of workers with consortia members hiring from this pool.
28. Establish a program in which businesses, in conjunction with technical colleges, supply updated equipment to technical college schools for training costs shared with government and tax credits given to participating businesses.
29. Establish credits for businesses who have organized on-site training.
30. Establish tax credits for businesses who support on-site day care.
31. Establish tax incentives for locating businesses in Wisconsin and or expanding business with additional sites in Wisconsin.
32. Provide incentives to businesses who use Department of Corrections inmates to operate a business and use the wages paid to offset the cost of those individuals to the state. Use a portion of the profits to invest in these programs.
33. Eliminate the penalty ceiling for the amount of money a retired worker can earn.
34. Provide credit for graduation hours for OJT at both high school and college levels depending on the position held and accomplishments.
35. Improve the amount of federal dollars that are matched to state dollars.
36. Create individual tax credits for recent graduates of both in- and out-of-state colleges.
37. Provide incentives for companies that create opportunities for senior or retired workers to reenter the job market.
38. Replicate the work of the tourism industry in attracting and importing seasonal workers to other seasonal industries.

39. Endorse strategies to make Wisconsin more attractive to foreign immigrants and to minority immigrants from other states.
40. Expand articulations between technical colleges and the UW System significantly, especially in high-growth job, skill areas with a focus on two plus two programs.
41. Increase graduation rates in all sectors of higher education.
42. Implement the suggestions of the Wisconsin Association of Independent Colleges and Universities relating to financial aid and tax credits.
43. Repeal the \$12,000 cap on dual employment for state employees to allow UW System employees to more readily “share” their expertise with other state agencies and UW campuses.
44. Provide testing for school dropouts to identify where their aptitudes lie.
45. Provide a list of these dropouts to technical colleges for follow-up.
46. Improve the apprenticeship programs to include credits for graduation for on-the-job training.
47. Increase grants to students not just based on need but also based on their participation in high-need areas such as nursing, tool and dye, etc.
48. Provide high school graduation credit for on-the-job accomplishments including GED.
49. Require technical colleges to design models of delivery of training to midsize and small companies.
50. Ensure better integration of the Wisconsin Educational System.
51. Require follow-up studies for all post-secondary graduates to track the success of the UW System programs.
52. Replicate programs of state universities which have the greatest retention of graduates in the state.
53. Increase financial support for out-of-state students at the UW System schools who remain in Wisconsin after graduation for a specified number of years.
54. Improve access to venture capital.
55. Establish an independent source to follow-up with written reports from the educational system on the success or failure of how moneys were spent.
56. Increase/encourage more job shadowing by offering insurance coverage to public school kids participating in job shadowing.

57. Expand program of having teachers develop ties with private industry to see first hand what skills are needed in the workplace.
58. Look at quotas for public work projects that require a percentage of the workforce to be apprentices.
59. Create a one-stop licensing center so that businesses do not have to go from agency to agency. [Cochair George]